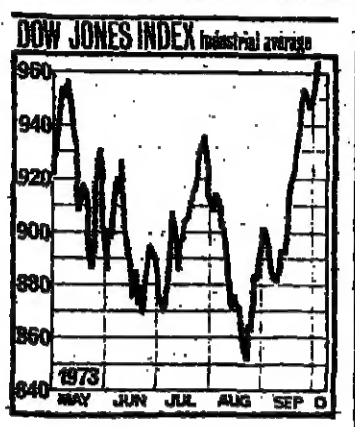


SUMMARY

BUSINESS

on: Dow Index up 7.75 to best for 6 months

● EIGHT days of rising values were followed by a not unexpected reaction in equities, the FT Industrial 30-share index closing 3.1 points lower, at 434.4. There was a 5-2 ratio of rises to falls, however, in all FT-quoted



industrial, and the official marketings at 7,800 were the highest for two months. The Gold Mines index lost 1.6 points, to 145.2, showing a seven-day fall of 18.4.

● GILTS were hesitant after Tuesday's good support. Stocks maturing around 1977 and 1978 made rises of around 1, however, and Corporation issues maintained recent improvements with further rises of up to 1.

● STERLING weighted depreciation from South African parties was 18.65 per cent. (18.72 per cent. revised). Against the dollar, the pound gained 23 points at \$2.4144.

● GOLD gained \$1.73, to \$99.30 an ounce.

● WALL STREET was up 7.75 to 404.53 at the close, its best level for nearly six months.

● THE BELGIAN bank rate goes up today from 4 1/2 per cent. to 7 per cent. Page 7

● EUROPEAN Court of Justice will hear steel merchants' appeal for interim protection against takeover by Guest Keen Nettelfields on October 11.

● SWAN HUNTER laid off another 250 men at its Tyne ship yards, and said 1,950 more will be laid off to-morrow night because of strike action by welders. Page 19

● GENERAL agreement has been reached by African Trade Ministers on a common position for trade and aid talks with the EEC on October 17. Page 7

● A SHARP FALL is reported in the number of office developments permits issued for south-east England in the first half of 1973. Page 12

● U.K. DELEGATION to the conference of the international Atomic Energy Agency in Johannesburg next week, will be led by Dr. Monty Finniston, BSC chairman. Page 20

● CENTRAL banks of the EEC may seek agreement to restrict dealing among themselves in gold at a price near free market levels. M. Valéry Giscard d'Estaing, French Finance Minister, said in Paris. Page 6, Lombard on Gold, Back Page

● SHOPBUILDING order worth the equivalent of £170m. has been placed with Howaldtswerke-Deutsche Werft, of Hamburg and Kiel, by a group of Norwegian firms. Page 28

● SALOMON BROTHERS, the Wall Street investment bank, announced a pre-tax loss of \$8.8m. on the year ended September 30, against \$37m. profit previously. Page 28

● PRE-TAX profit by James Walker, Goldsmiths and Silver-Smith, was £1.38m. for the nine months to April 30, against £1.1m. for the preceding 12 months. Page 34

● A. BECKMAN pre-tax profit for 1972-73 was £475,000 higher at £1.14m. Page 28

a last night desegregation against Vice-w as "serious," had been fully as by Mr. Elliot the Attorney

ed an imprudent re at the White and not asked for resignation. Mr. n not to resign, d, was, he said, and should be

ed of his promise r that any mem administration in criminal offence ended. Mr. Nixon Asnew was in a r because he had y all the people," the grand jury a of evidence on stortion and tax ns against Mr. age

offer e for is

lear, the Israeli r. is considering and's offer to take ustria as a transit rael-bound Soviet uts.

Mr. Abba Eban, sign of inter, said a decision to close hat is the future which two pirates proud nation to rms? Wm is going ruments or sub-

e bomb ler

last night made y bomb planted in culvert near the w, Co. Kerry, up of sea seals of and fitted with a device.

y 24 hours' delay, ablin road was re a hijacked bus ad was found not bueby-trapped. In a soldier was parrel bomb. In man was shot dead.

phreaks'

most of them with rices and many ing and electronics and trial yesterday Balfy for "phone Richard De Cam, said that primarily involved enabled e calls in any where t at the rate of 1p

MPs vote get powers

lean Parliament's control over Common sions enters a new when deputies will special session in on how far they in demanding a y in fixing the EEC to 6

oves out

frigates and defence moved outside suited Seabird limit, of Defence in London. In the newspapers hailed concession as a "a for Iceland.

any's new Prime Horst Sieder-Page 8

ppmann, 54, U.S. and author, is critic a strike.

von and Cornwall CID f Supt. Proven Sharpe.

RICE CHANGES

prices unless otherwise INDICES

1974-77, 504 + 1

Wmper (G.)	121 + 7
Ultramar	229 + 11
De Beers Dfd.	339 + 5
F. S. Geduld	930 + 10
Pot. Plat.	103 + 3
Sabine Inds.	185 + 3
Amal. Metal	192 - 8
Clarke Chapman	109 - 5
De Beers	148 - 6
GEC	348 - 12
Glen	124 - 8
Haden Carrier	248 - 8
Hawker Siddeley	241 - 6
Marx & Spencer	241 - 6
Reed & Smith	75 - 6
Trustee's	189 - 4
Wmper	177 - 6
Woodside-Burnham	81 - 5
Empress Mines	185 - 10
St. Helens	28 - 25
Western Mining	182 - 5
Winkfield	435 - 10

Chrysler U.K. and unions in crisis talks at Blackpool

BY PETER CARTWRIGHT AND JOHN WYLES

Urgent talks on the Chrysler U.K. crisis have been called for to-night in Blackpool between top management and union leaders, including Mr. Jack Jones of the transport workers and Mr. Hugh Scanlon of the engineers.

This meeting was arranged at the company's request yesterday as the Chrysler plant at Linwood, Scotland, from Monday in support of their Coventry colleagues.

The significance of the Electrical and Plumbing Trades Union move is that it was earlier strike action by Linwood electricians supported by the entire 7,000 Linwood work force that crippled the company's production and led to warnings that the payroll would be cut by 5,000 unless vehicle production is maintained.

The action of the EPTU at Linwood was predictable following the failure of Tuesday night's talks to find a compromise for settling the nine-week-old pay strike by 150 electricians at Chrysler's two Coventry car plants.

Whether the threatened 3,000 redundancies, a third of Chrysler's total U.K. labour force, go ahead depends on Linwood, which supplies Coventry with car bodies - working normally.

This can only now happen next week if members of other unions part company with the electricians and cross picket lines to work on machines being maintained.

Vauxhall Motors is to spend £28m. in Britain during the next two years, creating at least 2,000 new jobs to expand vehicle range and output.

The plan is believed to involve building the German-designed Opel Kadett in Britain, with further Vauxhall-Opel integration along the lines of the British and German Ford operation.

Details, back page

most at risk that another top-level meeting is being sought.

This is taking place to-night at Blackpool where most union leaders are attending the Labour Party Conference. Mr. Scanlon, president of the Amalgamated Union of Engineering Workers and Mr. Jones, general secretary of the Transport and General Workers Union, are expected to meet Mr. Don Lander, who heads Chrysler's U.K. manufacturing activities, and Mr. Peter Griffiths, industrial relations director.

Warning of possible oil shortages this winter

BY HAROLD BOLTER AND ELMOR GOODMAN

IF BRITAIN has a harsh winter petrol shortages could force as many as 750,000 motorists to keep their cars off the road and there could also be shortages of home heating oil, U.K. oil industry leaders warned yesterday.

The warning to motorists came from Dr. A. W. Pearce, chairman of the British Petroleum, who was speaking in London at the annual dinner of the Council of British Manufacturers and Contractors Serving the Petroleum and Process Industries.

Dr. Pearce declared that world crude oil production was only just in balance with demand if everything went right, and provided the U.K. had average weather.

"Any upset, such as a pipeline failure or a cold winter, and we could be right into deficiency and some people somewhere will go short," he said.

"It may only be a 1 per cent. shortage, but in the U.K. to-day that is about equal to nearly 750,000 gallons a day of oil. If that shortfall all took the form of petrol, some 750,000 cars would have to be out of service each day," Dr. Pearce explained.

The Government would lose tax at an annual rate of about £50m. Nevertheless, Dr. Pearce emphasised that he did not believe there was an energy crisis so much as a change to a supply fine balance between the supply of crude oil and require-

Supporting view

A second warning of possible home heating oil shortages came from Mr. Alistair Down, deputy chairman of British Petroleum, who said that the supply-demand situation was "narrowing on to a knife edge."

He emphasised, however, that he did not believe the situation would be serious enough for rationing.

Mr. Down, speaking at a conference in London on off-shore oil, organised by London Chamber of Commerce and Industry, said although the problem in Britain was not as severe as in the U.S., shortages in America tended to have an impact elsewhere.

Mr. Tom Boardman, Minister for Industry, declared in a radio broadcast yesterday that the oil shortage was acute. He maintained that U.K. stocks should be adequate for the winter, crisis so much as a change to a supply fine balance between the supply of crude oil and require-

Boilermaking take-over planned

BY KENNETH GOODING

TALKS ARE under way which will probably lead to a significant rationalisation of the U.K. boilermaking industry.

Clarke Chapman-John Thompson group is discussing terms and conditions by which it could take over the British operations of International Combustion (Holdings).

It will be some time before details are worked out, but at the moment it seems likely that the group will issue shares worth about £5m. for the ICH boiler manufacturing business. This compares with Clarke Chapman's market value of £20.2m. and ICH's of £16.3m.

last night. With the ICH Board and its major shareholder, Combustion Engineering of the U.S., in favour of the deal, it stands a fair chance of going through. If it does, Britain will be left with two boilermaking groups, both of them with a broad range of other interests.

Mr. Tom Carlisle, managing director of the other U.K. boiler-makers, Babcock and Wilcox, welcomed the news about the talks last night. "It is not unexpected. There is not enough work for three boilermakers in the U.K. I believe it to be a constructive move which will benefit the industry," he declared.

The proposed deal is very similar to one which the now-defunct Industrial Reorganisation Corporation tried to arrange in 1968 when it wanted a full merger of Clarke Chapman with a wider nuclear power business on the foundation on what was described

as "the bottomless pit of loss." ICH might have faced on its contract for the Dungeness "B" reactor.

That situation is now behind ICH, and there are other important differences in the deal now proposed. It will not constitute a full take-over of ICH, but will involve only the boiler-making interests.

The shares Clarke Chapman will issue will go to existing shareholders of ICH, rather than to the company itself. This is the first time such an arrangement has been attempted in the U.K. and it will involve considerable legal difficulties and delay.

It is the wish of both Clarke Chapman and Combustion Engineering that it should be done that way.

Combustion already owns 30 per cent. of ICH and has an option to acquire a further 15 per cent. Before the deal with Clarke Chapman is completed, Combustion will probably take up this option which involves the payment of 35p. for each ICH share compared with the 45p at which they stood last night. So the deal would be injected into ICH by that deal.

Once the Clarke Chapman-ICH arrangement is completed, Combustion will own 11 to 13 per cent. of the enlarged Clarke Chapman group.

The American concern has wanted to get an interest in 1968 when it wanted a full merger of Clarke Chapman with a wider nuclear power business on the foundation on what was described

as "the bottomless pit of loss." ICH might have faced on its contract for the Dungeness "B" reactor.

Meat sales fall to lowest since 1954

BY PETER BULLEN

THE RISING COST OF FOOD had the effect of reducing consumption of fresh meat in the second quarter of this year to the lowest level since the days of rationing.

On average, each person consumed only 13 oz. of fresh meat a week at home in April, May and June. At the same time last year the figure was almost 15 oz.

The high price of meat was the main reason for the fall in consumption, although shortage of supplies was a contributory factor. Although less was eaten, it cost everyone about 4p each more than in the same months last year.

Chuck steak, for instance, rose from 43.9p a lb in June, 1972, to 54.6p this year and sirloin steak went up from 62.9p to 75.4p a lb.

Food cost

The figures are contained in the Ministry of Agriculture's Household Food Consumption statistics which showed that, overall, the average expenditure on food bought for eating at home was £2.71 per person a week in the second quarter, 12p (or 4.3 per cent.) more than the first quarter of the year and 33p - almost 14 per cent. - up on the same quarter in 1972.

It is more than 20 years since fresh meat consumption fell so low - certainly not since meat rationing ended in July, 1954. Meat was one of the last foods to be freed from wartime control.

On July 3 of that year everyone had the freedom to buy as much meat as they could afford after nearly 14 years of restriction, other foods having already been de-rationed.

In 1953 the amount of fresh meat consumed per head was 15.63 oz. Compared with those days, there has been a big rise in the amount of poultry eaten.

In 1953 it was half an ounce a week per person. Since then consumption has soared to a record of more than 6 1/2 oz per person per week between April and June this year. That puts it ahead of even Britain's traditional favourite, beef, which amounted to only 3.7 oz per person.

During the second quarter the rise in food prices amounted to a record of more than 16 per cent. in May and 15 1/2 per cent. for the quarter as a whole compared with the same quarter of the previous year. By switching to cheaper foods, or by buying less in some cases, housewives managed to keep their actual expenditure down to just under 14 per cent. extra.

Milk, meat and meat products, eggs, vegetables and fruit were all more expensive than in same period last year but the higher cost of food did not prevent the continuing swing to the purchase of more convenience foods.

Bacon price warning Page 29

Earlier this week, President Nixon announced rationing arrangements for home heating oil in the U.S. giving priority to private housing, farms, hospitals and other essential services.

The U.K. uses relatively less heating oil than the U.S. or the rest of Europe, however, and has traditionally been a net exporter of the product.

On the whole, companies in the U.K. do not expect severe shortages. Stocks held by Shell Mex, BP and Esso, which together account for some three-quarters of the home heating oil sold in Britain, are believed to be relatively high.

Because of the world situation, none of the companies is expanding sales at the moment. The fear remains that, because of price control in the U.K., some smaller suppliers could divert their oil to other countries, leaving marginal gaps which the major groups would not be able to fill.

Problems have been experienced by marginal suppliers. Charringtons, for example, a distributor of domestic fuel oil, has been told by its suppliers that its orders will not be met in full this year.

Why competition is fading at the pump Page 22

Esso to integrate Cleveland brand Back Page

'No alliance . . no deal . . no fix' Wilson firmly opposes any coalition

BY JOHN BOURNE, LOBBY EDITOR

BLACKPOOL, Oct. 3.

SOME LABOUR delegates, particularly Left Wingers, now suspect, after a speech by Mr. Harold Wilson to the Labour Party conference this morning, that he may be abandoning any strategy of trying to win over "middle-ground floating voters" at the next general election.

They believe that instead he may be determined to concentrate most of his efforts on wooing back those old party supporters whose failure to vote for Labour in 1970 cost him the last general election.

"This theory, they say, would account for his apparent personal identification with the Leftward swing towards more public ownership which delighted the party activists this week. It could also illuminate a key passage in Mr. Wilson's speech this morning when he moved the annual report of the Parliamentary Labour Party.

Speaking of the apparent Liberal revival, he argued to delegates, and to the country, that there are those of us who defined political allegiance who devoutly wish to see a coalition they must understand that the only coalition possible is a coalition of the two Tory parties - the Conservative Tories and the Liberal Tories.

"So let everyone recognise a vote for the Liberals is a vote for a Tory-dominated coalition."

Labour MPs at the conference regard this as a strategem to persuade, first, those Right-wing Tory dissidents who voted Liberal in recent by-elections and in the opinion polls to do so again at the general election; and, secondly, former supporters of Labour to return to the fold.

On the ground that if they do not, or if they vote Liberal, this will guarantee the return of a Tory Government.

To the dismay of some of Mr. Roy Jenkins' supporters Mr. Wilson has completely rom-

Conference Report, page 16
Men and Matters Page 22
Economic Viewpoint, Page 24

alliance, no understanding, no deal, no arrangement, no fix; neither will there be any secret deal or secret discussions.

"Whatever the results of the election, a Labour Government will go forward boldly on its policy, challenging any manoeuvres to make their position clear in vote after vote on issues in the Commons."

According to some MPs and delegates, if Mr. Wilson's suspected gamble does not come off and the Liberals do, in fact, manage to hold the balance of power after the next general election he will live to regret these words. But party activists do not believe that he will.

As Mr. Jack Jones, the Left-wing general secretary of the Transport and General Workers' Union, who has been working hand in glove with Mr. Wilson this week, told a Tribune Group meeting here to-night: "Unity has been established this week which should lay the basis for a working-class victory at the next general election."

The key words here are Wilson has completely rom-

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BELL'S SCOTCH WHISKY

"Afore ye go"

Scotland's Number One Scotch Whisky

ARTHUR BELL & SONS LTD., Esd. 1825—One of the few INDEPENDENT Companies left in the Scotch Whisky Industry

by CLEMENT CRISP

A high-contrast, black and white portrait of a man, likely a politician, wearing a suit and tie, looking slightly to the right. The image is grainy and has a stark, almost graphic quality.

Two at the Tate by MARINA VAIZEY

A high-contrast, black and white photograph. In the center, a person is seen from the waist up, wearing a light-colored, patterned garment. They are positioned in front of a wall or screen with a prominent black and white checkerboard pattern. The scene is dramatically lit, with deep shadows and bright highlights, creating a stark, almost abstract quality. The overall composition is vertical, with the person and the checkered pattern as the primary visual elements.

Shiraz Festival

Origin of Blood by ANDREW PORTER

**Book Reviews appear on
Page 31**

MARINA VAIZEY

Kidsplay is a new venture for the very active Tate education department, which has lately been giving a marvellous variety

(01-836 3161)
SADLER'S WELLS THEATRE Rosebery
Avenue S.C.1 (857 1872). Until Oct. 27
THE ROYAL BALLET Tonight at 7.30:
The Lady & the Fool, Card Game, Pina

Edna, in a consumer lecture. Kildisplay is a wow, and on until October 6.

I think the great success of Kildisplay points to a couple of disturbing facts. Many people do not think of museums as places to enjoy themselves, but rather visits to them rather like doses of cultural vitamins. In part this is a natural consequence of the very fact of a museum, where what is in it is a force wrenched out of its original context, and the purpose of pleasure works of art—sensual pleasure, the reinforcement of actual power, educational or propaganda introduction to particular worlds, has in great religions art—has to be re-thought, and re-presented. But in Kildisplay the purpose is obviously immediate enjoyment. And kids and parents can relax without thinking about what it all means. And in a way this is not misleading, as there is a funnifying element, an element of games playing, in much art. The challenge for people running museums is deciding on exhibitions is not only getting people into museums, getting the audience to come, but doing something about the quality of experience that that audience, once inside, gets.

A SPECTACULAR PERFORMANCE
PATRICK CAGILL
In London's new comedy Smash-In!
TWO AND TWO MAKE SEVEN
A MERRY GO-ROUND OF
MISUNDERSTANDINGS
"PLENTY OF SUN" (The Times)
"A VERY GOOD ONE" (The Observer)
Fridays only 8.15 hour 50p Sat. 8.15 50p

CLASSIC STAGE—Mon. to Thurs. 22.15
8.00
THE ROCKY HORNER SHOW

COMEDY—8.00 25.00, Evenings 8.00.
Mon. to Thurs. 8.00 25.00
PAUL SCORFIELD IN
SAYAGES AND SAYES
—FAR AND AWAY BEST PLAY AND
PERFORMANCE IN WEST END.—F.T.
CRITICISM
Sat. 5.30 and 8.00 25.00, Evenings 8.00
ALDOUS HUXLEY'S "EYE"
RICHARD BRYCES CHAMBERLAIN, HANCOCK
AND CHAMBERLAIN
ALDRIDGE, David BURKE, HOBBS
AND HOBBS
—SECOND PRISON SINGULAR—
—FUNNIEST COMEDY IN TOWN.—E.S.

DELUXE—8.00 25.00, Evenings 8.00.
Evenings 7.30, Mon. Wed. and 8.00 25.00
ANDRE MAGNAN, THORA HIRD
"NO NO NINETEEN"
—LONDON'S BEST MUSICAL—
"It's Yes, Yes Nonsense." Ev. News.
8.00 25.00, Evenings 8.00.
Sat. 8.00 25.00
DANIEL SINDEN, JOHN GREENWOOD IN
IN RASHE OF LOVE
—THE BEST PLAY IN TOWN—
Directed by JOHN DICKER.

DUKE OF YORKS—8.50 21.25, Evs. 8.15.
FR. LESLIE PHILIPS IN
HYM COMEDIES IN LONDON
—"MY MAM MOST LIKELY TO"
—"THE MAM MOST LIKELY TO LAUGHING"
—IN THE STALLS—Coln Rev. 8.15
Routings 8.15 22.50, Oct. 6, Evs. 8.00
8.15 and 8.30 (Oct. 6, Evs. 8.00)
Transferring to LEVY
—NOW IN ITS SIXTH YEAR—
—The Best Thriller Ever—N.Y. Times
8.00 25.00, Evenings 8.00.
Sat. 8.00 25.00

GRABCO—8.30 25.00, Evenings 8.00.
Transferring to SPECTACULAR PERFORMANCE

by WILLIAM WEAVER

At least one of the critics mentioned the unfortunate timeliness of the cholera theme; and, in fact, the recent epidemic (which, of course, never got as

timely). Nearly all commentators condemned the pentathlon scene and found, in general, that the first act was too long.

Italy's most influential critic, Massimo Mila, writing in *La Stampa* of Turin, said, in part: "The first act of *Salvi* has given himself a handsome present for his 60th birthday, a proof of fully achieved maturity, thanks to which we can perhaps speak of him for the first time as a master. Not just an artist of genius who brings off a virtuosic success like *The Turn of the Screw*, but a master who knows clearly what he wants and knows how to obtain it. It would be a masterpiece if it

For many years, September in the Italian musical calendar was marked by Venice's International Festival of Contemporary Music. This year, for a number of reasons, financial and administrative, the festival was not held. Venice has given the British Opera a generous donation for both audiences and critics the transaction was more than successful. Despite the reservations mentioned above, the several thousand people who managed to get into the Venice's three performances expressed their approval and contentment, so, all in all, the composer himself has ample reason to be content, too.

'Window on Hungary'

The cultural events will include four exhibitions—Art Nouveau at Manchester City Art Gallery, Contemporary Hungarian Textiles at Manchester Polytechnic, Horses in Hungary, an exhibition of photographs at the Guardian and Manchester Evening News Building. Books

ENTERTAINMENT GUIDE**OPERA & BALLET**

THEATRES
ADELPHI, 836 7511. Opening next Wed.
CALYPSO AND LINDA

THEATRES

by ALAN BENNETT
MAY FAIR, 629 3036-7, Evns. 8.15. Sat.
8.15, 8.45. NIGEL HAWTHORNE
Best Comedy of Year. E. Std. Award '79
THE PHILANTHROPIST

THEATRE

David Jason in
"NO SEX PLEASE, WE'RE BRITISH"
Directed by Allan Davis
"HYSTERICALLY FUNNY." Sun, Times.

THEATRES

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Matinees Thurs. 3.0. Sat. 4.0
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NIGEL HAY
of Year. E. 5

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Fri. & Mon. 7.30. Sat. 2.15 & 7.30

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Directed by Allan
"HYPERICALM

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WESTMINSTER (2 mins. Victoria Station)
 834 0283. Evenings at 7.45
 Sat. 5.0 and 8.30. Mats. Wed. 2.30.
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Hit American Comedy
Directed by NIGEL PATRICK
TODAY at 10 East 2

at 5.30 and 8.40. Matinee Wed. 2.
Richard - BRIERS, Sheila HANCOCK,
Anna CALDER-MARSHALL, Michael
ALDRIDGE, David BURKE, Bridget
TURNER in Alan AYCKBOURN'S
ASSURED PERSON SINGULAR

CHERRY ORCHARD
& Wed. next
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John Stone in NOEL C
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Diana Ross. LADY SINGS THE BLUES
(X) Sep Per. Wk. & Son. 2.00, 3.40.
8-35. All seats bookable.

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**GYPSY
IT MUSICAL™**

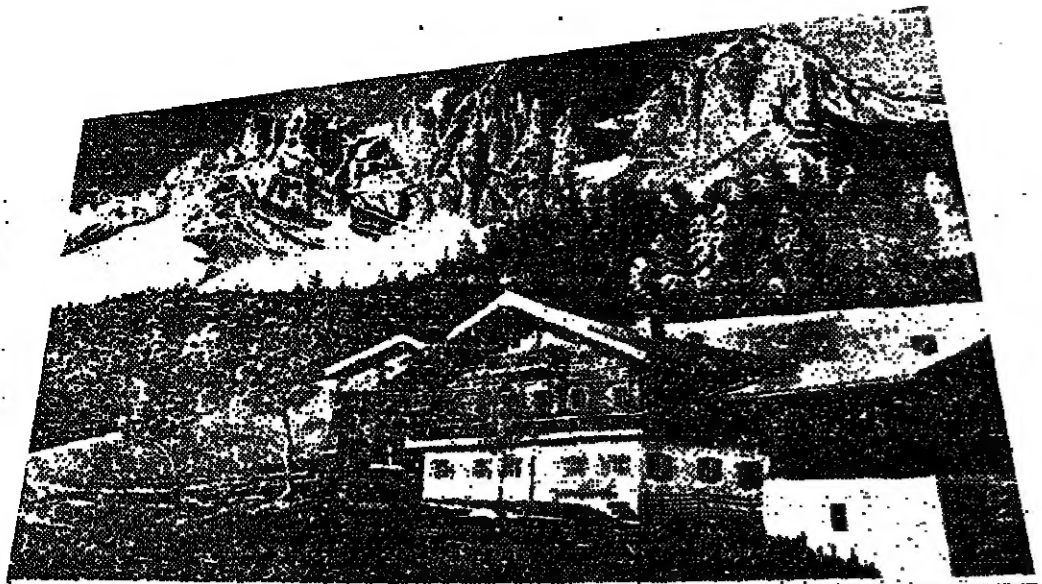
Cont. Progs. Week and Sun. 2 30 5 30 ~

ROBERT MOORE AS JAN
LIVE AND LET DIE
COMM. PROG. WEEK AND SUNDAY

**CINEMAS ARE CONTINUED
ON PAGE 35**

WORLD TRADE NEWS

BRITISH EXPORTS



The largest jigsaw in the world is being shown during three store promotions of British goods by the May Group of stores in Ohio and Florida during September and October. The British jigsaw is made by Condor Toys and depicts a Swiss scene handpainted on wood measuring 20 feet by 10 feet and comprising 30,000 pieces.

The British Overseas Trade Board is supporting the participation of British firms in this event. They include the Chess Centre

Engineering drive in Far East

FINANCIAL TIMES REPORTER

The 3,000-member Engineering Industries' Association, in conjunction with the Department of Trade and Industry, is sending a 17-man "hard sell" export mission to the Far East this month.

"This is the biggest engineering sales drive mounted by the Association, or any other British trade organisation, to this part of the world and follows the large export successes gained by a recent mission to Australia," the EIA said recently.

The delegates, who set out on October 14, will spend three days in Kuala Lumpur, four days in Singapore, six days in Hong Kong and four days in Bangkok.

The mission, called "Engtrade 73", will be led by Mr. F. H. Toft, Vice-Chairman of the EIA's National Export Committee and sales director of Denford Machine Tools. It will promote the sale of light and heavy engineering products ranging from big cranes and machine tools to hacksaw and bandsaw blades.

Britain and Ethiopia have signed two agreements valued at \$561,000. The first covers the purchase of road maintenance equipment valued at \$270,000 while the second is for Bailey Bridging Equipment valued at \$291,000. Sixty per cent of both

amounts is in the form of an interest-free loan, repayable over 25 years, with a seven-year grace period. The remaining 40 per cent is a grant. Both agreements were signed in Addis Ababa by Lady Tweedsmuir, Minister of State in the Foreign and Commonwealth Office and Mr. Mammo Tadesse, Minister of Finance.

Lord Drumalbyn, Minister without Portfolio at the Department of Trade and Industry today visited South Africa's first food processing, packaging and distribution exhibition at Milner Park, Johannesburg. Processed foodstuffs production in South Africa is now R1,596m. annually and will reach R2,032m. by 1977. The food processing industry has one of the highest growth rates of output and is already the largest sector of manufacturing industry.

Davy-Loewy, Sheffield, a Davy International company, has received a contract from Siderurgica Lazaro Cardenas Las Truchas for a continuous rod mill valued at approximately \$10m. The four-strand mill, to be built to the licensed designs of Morgan Construction Company, Worcester, Mass., will have a rated output of 500,000 tonnes a

year and will roll at speeds in excess of 50 metres a second. Rod will be produced in the range of 5.5 to 13 millimetres diameter. This is the only major contract on the Las Truchas project to be awarded to a British company so far. The proposed site is on the Balsas River, about 100 miles to the north of Acapulco, on the Pacific Coast of Mexico.

East African Railways have bought 25 more locomotives from Britain, 10 main line and branch line diesels and 15 shunting engines. The main line engines have been supplied by GEC Traction, and the purchase was aided by a \$1m. British Government loan. The company has now supplied 65 diesel locomotives to East Africa.

The Netherlands Chamber of Commerce has invited Hull Chamber of Commerce to send a delegation to a conference with their most senior and influential members next spring. This was made known recently by Mr. Wilhelm Hope, the Chambers' secretary, who said that the Netherlands Chamber wished to discuss ways of fostering trade and suggested the conference should be held in the Netherlands.

Investment chances in Kenya stressed

BY OUR OWN CORRESPONDENT

NAIROBI, Oct. 3

BRITAIN'S TOURING Trade Under-Secretary, Lord Limerick, said today that there were great opportunities for British businessmen to invest in Kenya. He had found "a strong sense of optimism" among the Kenyans and businessmen generally.

Lord Limerick said British businessmen were not perturbed by the Uganda experience, and it was up to them to make their own assessment. Lord Limerick has been having talks here with Kenyan Ministers on U.K.-Kenya trade topics. Some 30 per cent of Kenya's imports are provided by Britain, which takes about 23 per cent of Kenya's exports.

Our Lusaka Correspondent adds: On Saturday in Zambia, he stressed that both the U.K. and Zambia are anxious to improve

two-way channels of communication on trade and investment. The first British Trade Minister to visit Zambia since independence, Lord Limerick has already visited Tanzania in a week-long African trip.

In Lusaka, the Minister saw the Minister of Trade and Industry of State Rural Development and the Permanent Secretary of the Ministry of Power, Transport and Works. A major part of the U.K. exports to Zambia is machinery and transport equipment.

Last year, Zambian exports exceeded imports from the U.K. with U.K. exports of K73m. against Zambian exports of K35m. This year, results will of course be affected by the border closure.

Moscow-Tokyo trade should reach \$1,300m.

MOSCOW, Oct. 3

SOVIET-JAPANESE trade will reach a record \$1,300m. this year, according to the First Deputy Foreign Trade Minister Ivan Semichastnov.

He said that this figure would be \$186m. higher than in 1972, when Japan was the Soviet Union's second largest non-Communist trading partner, after West Germany.

He said that the two sides discussed co-operation in developing copper and nickel deposits, the Tyumen oil field, gas and coking coals in Yakutia, oil and gas on the Shelf of Sakhalin Island and timber resources.

But there are still problems in Soviet-Japanese economic co-operation, he said. Japan still does not permit individual Soviet trade organisations to open offices in Japan, and there is no governmental agreement on scientific and technical co-operation.

"We should like to hope that the difficulties will be surmounted in the course of further Soviet-Japanese talks," he said.

Japanese Premier Kakuei Tanaka arrives here next Sunday for a four-day visit.

UPI

Hong Kong "may fight EEC tariff scheme"

HONG KONG, Oct. 3

HONG KONG may fight a European Economic Community (EEC) tariff scheme which threatens to control the colony's textile and footwear exports to Britain, an English-language newspaper said yesterday.

The Hong Kong Standard, quoting "informed sources," said "resentment is growing in high-level industrial, commercial, and Government circles at Britain's seemingly cavalier attitude towards the colony."

It said the anger is directed

mainly at an EEC plan to offer preferential tariff facilities in Britain for textile and footwear products from Hong Kong's major competitors like South Korea, but at the same time deny such facilities to the colony.

The EEC plan, scheduled to go into effect next January, will hamper Hong Kong's \$181,500m. textile and footwear exports to Britain and endanger the livelihood of 250,000 workers employed in the wool industries, the newspaper said.

UPI

FINANCIAL TIMES CONFERENCE

Japanese role as catalyst of economic growth

BY CHARLES SMITH, FAR EAST EDITOR

SINGAPORE, October

JAPAN'S ROLE as a catalyst of economic growth in Asia rather than an exploiter of other Asian countries was emphasised today by Dr. Saburo Okita, President of Japan's Overseas Economic Co-operation Fund, the soft loan agency of the Japanese Government.

Speaking on the second day of the Financial Times Conference on Business Opportunities in the Pacific Basin, Dr. Okita said he disagreed with a remark made earlier in the Conference by the Malaysian Minister of Home Affairs, Tan Sri Ghanali bin Shafie, that Japan's development was at the expense of its neighbours. On the contrary, Japanese investment, overseas trade and aid could, Dr. Okita said, provide important stimuli to the rest of the region.

Discussing Japan's aid programme, Dr. Okita forecast that lending by the Overseas Economic Co-operation Fund would reach \$3,000m. by the end of the 1970s or about as much as the World Bank's lending at present. Even the OECD current loan programme was twice the size of that of the Asian Development Bank, Dr. Okita said. On the trade front, Dr. Okita emphasised Japan's position as the world's second largest importer of textiles after the U.S. Japan's overall trade was now 60 per cent of that of the U.S., but was likely to overtake American trade in the next few years.

Opportunities

Dr. Okita said that the shift of emphasis in Japan away from labour-intensive towards capital-intensive industries would provide valuable opportunities for other countries.

For example, Taiwan exported more black and white TV sets than Japan in 1972 and might overtake Japan's colour TV exports in the not too distant future. So far as investment was concerned, Dr. Okita made his criticisms of Japan's investment in minerals and other natural resources was unjustified because of its failure to generate employment. This might be true if the direct results of this kind of investment were considered in isolation, Dr. Okita said. But the indirect effects of Japanese investment on employment in Asian countries might still be very significant. Dr. Okita noted that Japan was currently financing one-third of total capital formation in Indonesia. He said

that remittances on current Japanese investments in South-East Asia were "negligible".

Dr. Okita's claim that other Asian countries were moving into labour intensive industries formerly dominated by Japan was implicitly confirmed by Mr. Jae Sul Lee, the Vice-Minister of the South Korean Economic Planning Board. Mr. Lee stressed shipbuilding as one of his country's major growth industries with an expected 38-fold growth in production capacity during the next eight years. One of the industry's major advantages was the fact that Korean wage levels were approximately one-fifth of those in the Japanese shipbuilding industry.

A five-year "model" for Singapore's economic development was unveiled by Mr. Hon Sui Sen, the Singapore Minister of Finance. Mr. Hon said Singapore hoped to maintain a 15 per cent growth rate (at current values) over the next five years and expected almost half of this increase to come from manufacturing. Singapore's exports would have to be trebled by 1977 and the Government would have to pay careful attention to the creation of a large enough labour force to support economic growth.

Singapore's manpower requirements would grow from 765,000 in 1972 to 961,000 in 1977, Mr. Hon said, and it was likely that "existing patterns" of employment in Singapore would have to be changed to meet this situation. An increase in female labour and the raising of the retirement age were among possible measures to solve the problem. The Government had also worked out a scheme, shortly to be announced by the Economic Development Board, which would encourage employers to train skilled or semi-skilled workers. In the meantime, Mr. Hon said he had noticed the increasing tendency towards "job hopping" within Singapore's labour force, and was prepared to take measures to curb this.

A "quite spectacular increase" in Hong Kong's public expenditure was forecast by Mr. Philip Haddon-Cave, Secretary of the Hong Kong Financial Secretary. Mr. Haddon-Cave says, however, that he thought this increase—linked to Hong Kong's investment in a mass transit system and other infrastructure projects—could be financed out of public revenue without recourse to special taxation or to borrowing

on anything more than a limited scale. Either of these ways raising money would upset the colony's traditional equilibrium which depended on a minimum use of fiscal measures to regulate the economy. Hong Kong's run budget surpluses through most of the past two decades and now has substantial reserves to meet its development needs. Mr. Haddon-Cave said that some two-thirds of Government expenditure over the next decade would be on social and community services. The value of this would amount to something like \$7,000m. compared with expenditure of \$2,800m. during the 1960s. This could be some recourse external borrowing during remainder of the 1970s. Haddon-Cave said, but budget problems could arise if Government borrowed projects which were "directly self-liquidating".

Financial centres

The development of Singapore, Hong Kong and Tokyo as financial centres was viewed by Mr. M. G. Sandberg, deputy chairman of the Hong Kong and Shanghai Banking Corporation. Mr. Sandberg said that Tokyo has been "strangely reluctant to accept the mantle of a financial centre" and progress in this direction, nevertheless, it now seems to be an assured position as the region's major financial centre. Liberalisation of Japan's capital markets had been more effective than trade liberalisation. Tokyo had already become a leading capital procurer in the field of offshore dollar where progress had been hampered by the Government failure to take the necessary measures. The result was the market existed but in "a small area" which involved no profit for Hong Kong itself.

However, the Singapore market was turning out to be a "removable success" and Government deserved credit for seeing the potential of the offshore dollar market.



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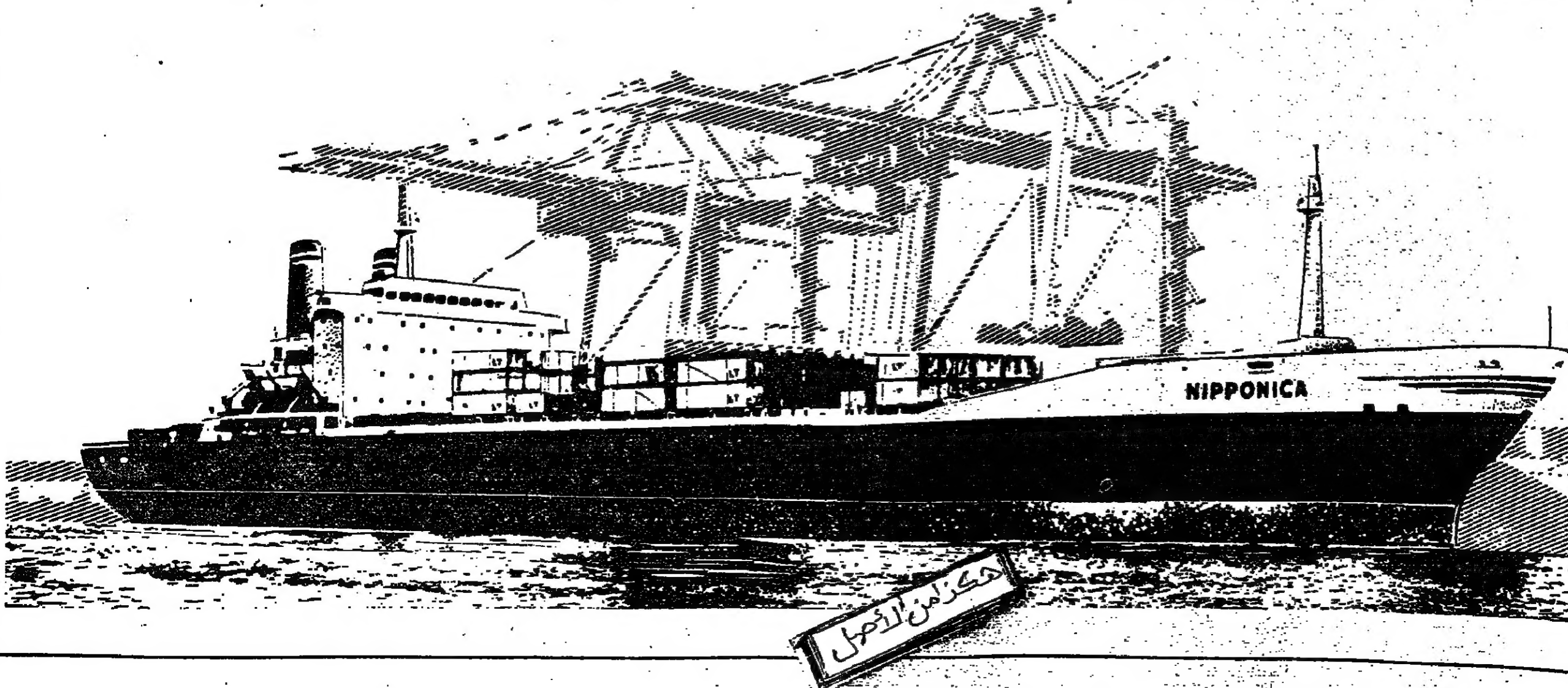
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number of 20' containers carried	...	refrigerated cargo:
under deck	... 626	108 20' or 40' refrigerated
(plus 120 40' containers)		containers
on deck	... 468	
number of 20' containers or 234 40' containers		
total	1094	



Nixon's energy move said to be 'too little, too late'

AN DICKS

WASHINGTON, Oct. 3.

AN administration's move to allocate a system of energy stocks of oil and home heating oil, as well as being the main heating fuel used by farmers to dry crops, as well as being the main heating fuel used in many rural areas, and an important substitute for natural gas in times of shortage.

The Administration has set out ten priority categories of products, including farmers and food processors, and hopes that supplies to them can be assured in time to prevent damage to the food chain and grain crops now being harvested. Besides rural domestic consumers, hospitals and public services, the priority list also includes public utilities who use propane at times of peak demand as a supplement to natural gas during periods of high demand.

Mr. Love commented yesterday that the principal losers from the programme would be industrial users of the gas. They will have to share out whatever is left over once propane dealers have met orders from the priority users. For this purpose, the non-priority customer will have to show a "base" usage derived from his consumption of propane last winter.

Another provision of the all-out scheme orders propane dealers with storage facilities of 500,000 gallons or more to limit sales to non-priority consumers immediately. In this way the Administration hopes to prevent stockpiling by industry, which it regards as one underlying cause of the current propane shortage.

While propane is a relatively small and specialised part of the total energy picture, home heating oil allocation will present considerably more difficulty. The Administration has promised to publish details of how it will be applied within two weeks, but for the time being it has not yet decided how the programme will work.

The White House is said to favour giving the States a share in deciding how scarce supplies should be divided up between final consumers, but the Treasury is reported to oppose using the States as an intermediary between the government and the private sector, since weather conditions, if nothing else, might force the Federal Government into a role of mediating between them in any case.

Segretti says he was recruited White House aide

WASHINGTON, Oct. 3.

SEGRETTI, alleged "dirty tricks" man, said he was recruited by a White House aide in 1971 to election campaigns. Mr. Segretti said he was paid a salary of \$16,000 a year plus expenses and received the money from Mr. Nixon's lawyer, Mr. Herbert Kalmbach.

Mr. Segretti said he helped recruit people to make campaign speeches and to make speeches for the President. He also admitted that he was the author of a letter distributed on the telephone of Senator Edmund Muskie accusing fellow Democratic Presidential Candidate Senator Hubert H. Humphrey and Senator Henry Jackson of sexual procreancy.

"Each and every allegation in the letter was untrue and without any basis in fact," Mr. Segretti said in a prepared statement he read to the Senate Watergate Committee.

Mr. Segretti's efforts to disrupt the Presidential Primary Campaigns of the leading Democratic Candidates were centred on the key Florida Primary Election, where a poor showing at the polls helped put Senator Muskie out of the running. Senator Muskie had been regarded as the leading candidate.

Mr. Segretti told the Committee that he was sure his members were now aware of his activities in the 1972 campaign had been blown out of all proportion by the news media.

"Nonetheless, this in no way lessens my sincere belief that my activities were wrong and have no place in the American Political System," he said.

Ontario may bar land sales to foreigners

JES SCOTT

TORONTO, Oct. 3.

SEVERAL members of the Ontario government have said that the province will bar foreigners from buying land in the province. It is a move which would be a blow to the real estate industry, which has been able to buy up large areas of land for development. The move would also affect the sale of land to companies, which would have to be at least 75 per cent Canadian-owned.

It suggests that immigrants will have to pay a higher price for land, and that the province will be able to raise the price of the land property tax.

CALIFORNIA WINE

The drink that fooled the experts

BY GERALD ASHER IN NEW YORK

WINE HISTORY was made recently in the cellars of a New York wine importer. A dozen of the leading members of New York's wine establishment, all professionals involved with European wines, were asked to judge 30 or so white wines of the Pinot Chardonnay grape, the grape used to make fine white wines in France as varied as Champagne, Meursault and Chablis. They tasted "blind," but were told that some of the wines were from Europe and others were from California.

When the tasting sheets were collected and analysed it was found that the first four places had been taken by California wines, and this despite the fact that the French wines were drawn from top producers like the Marquis de la Guiche, Louis Latour, Robert Drouhin, and others.

Only 10 years ago the emphasis in California was still on what fortified wines, sweet port and sherry types that sold cheaply, usually to those too poor to buy the spirits. On the American East Coast, particularly, the image of California wine was not a good one. Fine wine merchants like Sherry Lehmann of New York did not stock any California wines.

"On the American east coast, particularly, the image of California wine was not a good one. Fine wine merchants like Sherry Lehmann of New York did not stock any California wines."

Increased interest in and demand for California table wines came in the late 1960s, coincidentally with the first wave of the post-war generation reaching the legal age for drinking. In 1960, the United States consumed a total of 183m. gallons of wine, imported and home produced together, of which table wines were only a third. By 1970 that had swollen to 257m. gallons, of which table wines were more than two-thirds. Back of America in a forecast just published estimate that consumption will be 650m. gallons in 1980. California wines at present account for 70 per cent. of the total consumption in the U.S. and even though imports are expected to continue their strong growth, reducing California's share to 63 per cent. of the total wine market by 1980, sales, at 410m. gallons, will be more than double what they were in 1970.

Basically, California produces three categories of wine. Bulk wines, often sold in half-gallon jars and jugs and therefore usually referred to as jug wines, are the ordinaries. They are produced by large wineries and which buy grapes, often under contract from independent grape farmers. The wines are marketed under nationally promoted brand names. The grape mix usually contains more table and raisin varieties than wine varieties, but thanks to the well-trained winemakers turned out every year by the Davis campus of the University of California, they are sound wines, usually softer and more palatable than the ones. Fine wine merchants like Sherry Lehmann of New York did not stock any California wines.

Above these are the premium wines, always sold by the bottle, like Chablis or Burgundy. The reputation of the maker, though, does as much as anything else in determining whether a wine is jug or premium, and you pay accordingly. Thirdly there is the increasing category of varietal wines, that is, wine sold with the name of the grape variety from which it is largely made. The qualification is there because California law allows the use of a varietal name provided no less than 51 per cent. of the named variety be used. If a varietal comes from a small winery known to serious

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EUROPEAN NEWS

Sindermann
new East
German PM

By Leslie Collier

BERLIN, Oct. 3. EAST GERMANY has a new Prime Minister. Herr Horst Sindermann, who had headed the Government for the past nine years, was moved to the post left vacant by the death in August of Herr Walter Ulbricht, chairman of the Council of State. He came to world attention as the counterpart of Chancellor Willy Brandt at their precedent-breaking meetings in 1970 in Erfurt and Kassel.

Aged 58, Herr Sindermann is taking control of a Council of Ministers which was upgraded in importance a year ago. Herr Stoph, on the other hand, now heads a body stripped of the dual party-government role given it in 1990 by its creator, Herr Ulbricht. His chief functions will be ceremonial, signing laws already promulgated and receiving new ambassadors.

Herr Sindermann is regarded as an especially close associate of Herr Erich Honecker, First Secretary of the East German Communist Party. When Herr Honecker took over as party chief in May 1971, one of his first appointments was to choose Herr Sindermann as Deputy Prime Minister. Dresden-born Herr Sindermann had previously stood out as the innovating and popular head of the party in East Germany's highly industrialised district of Halle.

Signs of Bonn coalition
split in Ostpolitik row

BY JONATHAN CARR

THERE WERE signs to-day of a rift between the West German Government's coalition partners during a stormy Parliamentary debate over conduct of Bonn's Ostpolitik.

Chancellor Willy Brandt sprang to the defence of a leading member of his Social Democratic Party, Herr Herbert Wehner, who is under fire from the Opposition for his recent statements on Ostpolitik during a visit to the Soviet Union.

Herr Brandt said he emphatically rejected the defamatory charge—without himself going into detail on the controversy at point Herr Wehner had made.

However, Herr Walter Scheel, Foreign Minister and leader of the Free Democrats, who form the government with the SPD, obliquely criticised Herr Wehner's remarks, making clear his own attitude to the disputed point remained unchanged.

The trouble arose after Herr Wehner suggested in Moscow and Leningrad that détente with the East could be held up if Bonn sought to extract more from the four-power accord on Berlin than had been put into it.

Talks aimed at establishing diplomatic relations with Czechoslovakia, Hungary and Bulgaria are currently held up precisely because of a problem involving West Berlin. Bonn believes that under the accord it is entitled to provide legal aid for West Berlin institutions, as well as individual citizens, through its consular services. The East Europeans and

the Soviet Union think otherwise.

The Opposition has accused Herr Wehner of stabbing his government in the back. Indeed, Herr Wehner's remarks came as Herr Scheel was trying to clear the Berlin block through talks on the margins of the UN General Assembly session in New York.

To-day, Herr Scheel referred specifically to the problem of legal aid and maintained that the government was on firm ground when it insisted on this point in its negotiations with the East. Further, Bonn was

patiently aiming at a practical solution to this problem and his talks in New York had persuaded him that such a solution was possible. In this context, he referred to further talks he is to have in Warsaw later this month and in Moscow in November.

Herr Brandt has reiterated the importance of "strict adherence to, and full application of," the Berlin accord—a phrase the Soviet Union supports. But it is clear that Moscow and its East European allies interpret this in a quite different way from Bonn.

Editorial Comment, Page 22

W. German external reserves up

By Malcolm Rutherford

BONN, Oct. 3.

WEST GERMANY'S net external reserves hit a new record at the end of last month of DM88,100m, following the heavy support for the French franc on the foreign exchange markets. The size of the figure is expected to lead to new credit policy decisions when the Bundesbank council holds its regular fortnightly meeting in Frankfurt to-morrow.

Market sources expect a further tightening of minimum reserve requirements on the deposits the credit institutes are obliged to place with the Bundesbank, and perhaps an extension of the central bank's open market operations. The measures would be designed to soak up the excess liquidity

arising from DM support of the French currency.

Dr. Karl Klasen, the Bundesbank president, already gave a hint of measures to come after the last council meeting two weeks ago when he said the Bank would act to prevent liquidity getting out of hand. At that time, the support operations were still under way.

Since then, it has been announced that net external reserves rose by DM1,800m, to DM95,000m, in the week ending September 23. To-day's Bundesbank return shows a further rise to DM100,000m, in the week ending September 30. It seems that the figure of DM100,000m, is no longer impossible.

Iceland
jubilant
at British
pull-out

By Our Own Correspondent

Reykjavik, Oct. 3.

THE LAST MINUTE decision of the British Government to withdraw its fleet to-day from Iceland's 50-mile zone was met with unmitigated relief and delight here, the Government newspapers, *Tjóðviljinn* and *Timinn* hailing the British concession as a major victory for Iceland.

Timinn, the official newspaper for Premier Jóhannesson's Progressive Party, declared in an editorial this morning that "the decision to withdraw is to be viewed with favour, although it must be emphasised that this decision is the result of the unyielding position of the (Icelandic) Government. Without it, the British Government and Nato would never have stirred."

Tjóðviljinn, the Socialist newspaper, asserted "we have got the British on the run now."

Despite these strong words it is generally expected here that the Icelandic Government will tacitly observe a *quid pro quo* for the time being and refrain from any major actions against British vessels in Icelandic waters. The coast guard is under direct control of Premier Jóhannesson in his co-capacity as Minister of Justice.

French Opposition tables
censure motion

BY ROBERT MAUTHNER

THE FRENCH Socialist and Communist parties are making a determined effort to force the government into a parliamentary debate on its general policy and have tabled a censure motion on which a vote is expected early next week.

Imbued with new enthusiasm and energy by their success in the cantonal elections and the findings of a public opinion poll showing that 48 per cent of the electorate gives them a real chance of coming to power within the next few years, the parties of the Left clearly intend to use the autumn parliamentary session to give maximum publicity to their criticisms of government policy.

Although the government initially appeared to have outmanoeuvred the opposition by refusing the Communists

demand for a general policy debate and by kicking off the new parliamentary session with a debate on a Bill safeguarding the rights of small shopkeepers, the opposition has refused to be side-tracked by these tactics.

The censure motion, which is due to be tabled to-morrow, covers a whole series of problems which the Left-wing opposition feels the government has failed to tackle adequately, ranging from inflation and social questions to the absence of official condemnation of the Chilean military coup. President Pompidou's evasive reply on Chile during his Press conference last week has particularly incensed the Communists.

While M. Messmer's Government is in no danger whatsoever of being overthrown—the groups which have put their name to the censure motion represent only

177 members of the National Assembly, some 70 votes short of the number required for a motion to be passed—it will at least give the opposition an opportunity to make its views heard in the country. The something which it has failed to do since its last defeat last March.

The current parliamentary debates are taking place against a background of rotating strikes which have seriously disrupted traffic on the railways and Paris metro. In spite of a supplement increase in salaries for servants, just announced by Government, bringing the rises to the basic rate since beginning of this year to 4.25 per cent, the unions have refused to withdraw their call for a one-week strike of servants starting on October

Giscard expects gold dealings
move by EEC central banks

BY RUPERT CORNWELL

PARIS, Oct.

EEC CENTRAL BANKS may seek agreement in the coming months to restart dealing among themselves in gold at a price near free market levels, M. Valéry Giscard d'Estaing, the French Finance Minister, suggested to-day.

Such a step would, of course, be broadly in line with what the French Government has been pressing for over since the free market and official prices of the metal began to diverge sharply. However, fresh support for the idea came last week at the IMF meeting in Nairobi from both the West German Finance Minister and the Italian central bank governor.

In an interview with *Le Monde*, the Minister described this as a major change of thinking, and said the topic should be fully explored by the Community over the coming months. However, if central bank gold assets were to be written up by two or three times, their other assets should be reduced to avoid an inflationary increase to the monetary base.

The interview, in which M. Giscard d'Estaing is as confident as ever on the chances of an early agreement on reform, despite the scant progress made at Nairobi, gives ample proof—if any were needed—of how far France has moved away from its original dogmatic ideas.

Paris is now content to see gold no longer used as a definition for currencies, and will accept the principle of sanctions against persistent surplus nations. It is clear, on the other hand, that full

convertibility, to which France attaches so much importance, remains a thorny problem.

M. Giscard d'Estaing said two alternatives lay open for the resumption of convertibility, both of which would involve the use of gold, a condition that the U.S. was so far unwilling to accept.

One was to make convertibility into gold optional, the minimum that France would accept. The other, which had the implied support of the Minister, would be to introduce a system of settlements using various assets in the proportion in which they figured in the debtor nation's reserves. Under such rules, the U.S. would admit and accept settlements in gold.

But he agreed with U.S. Treasury Secretary George

Shultz that no reform could put in place before the balance of payments substantially moved into surplus—expected by the Minister the coming months, and tended that high inflation on its own was not inconvertible reform.

He also disputed a suggestion that Mr. Shultz had suddenly become cool on the whole of reform, now that the dollar had recovered.

The Finance Minister, equally unworried, had a problem of consolidating the standing dollar. Convertibility would only newly-acquired assets, and to deal with those already central bank reserves, which represent a very real problem.

Wine scandal: new move

BY GILES MERRITT

PARIS, October

THE "GREAT BORDEAUX wine scandal" seems on the point of hitting the headlines here once more, following the Finance Ministry's announcement to-day that important evidence has now been placed before the local public prosecutors office.

Following reports six weeks ago that a major fraud, perhaps involving as much as £2m, had been uncovered by tax inspectors in the region, the affair had rather dropped from the public gaze while the authorities concentrated on probing the allegations.

It is now clear that as many

as 12 Bordeaux wine merchants called *negociants*, are involved.

It first became clear that there were strong grounds for prosecution on September 17, but believed that the complexity of the fraud has considerably delayed the proceedings.

Meanwhile, although French legal system notoriously slow, the Finance Ministry, whose officials first up the fraud and have a directed investigations, is known to be pressing strongly for matter to reach the courts as soon as possible.

EUROPEAN PARLIAMENT
Decision time on budget power

BY REGINALD DALE, COMMON MARKET CORRESPONDENT

BRUSSELS, Oct.

THE European Parliament's struggle for control over Common Market decisions enters a new phase to-morrow, when deputies hold a special session in Luxembourg to decide how far they should demand an increased say in fixing the Community's Budget.

The Parliamentarians will have to vote on whether to adopt ambitious requests for expanded budgetary powers—almost certain to be turned down by the nine member governments—or whether to settle for a more realistic approach that stands a better chance of being accepted by the Council of Ministers.

For the moment, the question of the Parliament's direct election is not at issue. To-morrow's debate is likely to concentrate on legalistic but crucial phrases which the Parliament would like to see written into the procedure for adopting budgetary decisions from 1976, the first year in which the Community is due to be fully financed from its "own resources".

Until now, the Parliament has had little or no influence on Common Market budget decisions, with member governments left free to ignore advice altogether. But the Brussels Commission proposed last June that the Parliament should at least have the power of "co-decision" with the governments in fixing certain Community expenditures and in raising new revenue.

The Parliament itself has still not made up its mind as to how far it should go with at least the Christian Democrats, the British Conservatives and the French Gaullists in favour of a modest, pragmatic approach. The opposition of these powerful groups is likely to tone down the more ambitious proposals that will be put to to-morrow's assembly by M. Georges Spénale, French Socialist chairman of the Parliament's budgetary committee.

After a hard-fought battle against the moderates inside the budget's committee, M. Spénale will present a resolution calling for the Parliament to be given the right to create new Community revenue—even though the hardliners themselves tacitly accept that this is an impossible demand for the time being—and majority voting under which have the last word in finalising the total Community budget.

M. Spénale's draft text, ever, is virtually certain to come under fire from Mr. P. Kirk, the Tory delegation leader who also represents the Parliament's political committee. Kirk is expected to try to de-emphasise any suggestion that the Parliament should be empowered to increase the Community budgetary revenue and to pose a conciliation process instead of giving the Parliament the last word on the budget.

Mr. Kirk's proposal is the result of the event of disagreement between Parliament and Council of Ministers, a "conciliation committee" including representatives of both sides should carry on talking. An agreement is reached, M. Spénale, on the other hand, is accepting that this is an impossible demand for the time being—and majority voting under which have the last word in finalising the total Community budget.

Finland to sign
free trade pact

HELSINKI, Oct. 3.

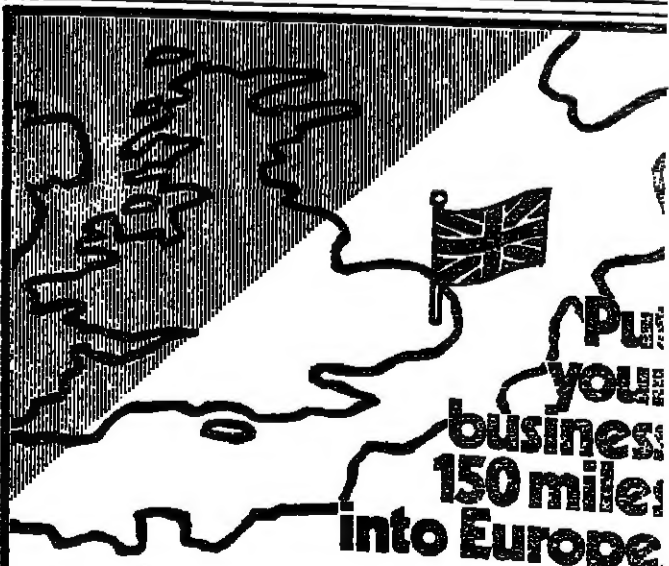
FINLAND WILL sign a free trade agreement with the European Community after more than a year of political hesitation, it was announced to-day.

The decision to sign the agreement, initiated by Finland in July, 1972, together with the other former European Free Trade Association countries, was made to-day in a special Government meeting with President Urho Kekkonen presiding. According to the government announcement, the timing of the signing in Brussels depends on technical details. It may take place Thursday.

POMPIDOU PLEDGE

PARIS, Oct. 3.

PRESIDENT POMPIDOU has given President Leone of Italy an assurance that France will examine in a positive spirit the proposal for the setting up of a Common Market Regional Fund due to be debated by the Community's Council of Ministers next month.



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Every winter the same old thing happens.

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مركز الحاسب

AU States reach broad accord on trade stance

DAVIDSON

DAR ES SALAAM, Oct. 3.

THE PAY meeting of the Ministers of the African Union (AU) today reached a broad accord on trade stance.

The meeting, which was the first of its kind, was held in Dar es Salaam, Tanzania, from October 1 to 3.

The Ministers, who were accompanied by their respective Ministers of Trade, discussed the role of the AU in the context of the Common Market and the EEC.

The Ministers agreed that the AU should continue to work for the achievement of the objectives of the Common Market and the EEC.

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principle of a joint negotiation for a new agreement covering both the existing associated states from French speaking Africa and the Commonwealth countries which are eligible for accession under the terms of the EEC.

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those which fall under the common agricultural policy should get free and assured access in the Common Market; and that any form of agreement with the EEC should not, in any way, affect intra African co-operation.

Certain French speaking countries, notably Senegal and Ivory Coast, have in the past disputed the principle of non-reciprocity.

Whether they have really accepted it now remains in some doubt. As of this afternoon the final resolution being drafted for the ministers says more that they "take note" of the report.

On the procedural front, the ministers will attempt to deal with these and other difficulties by setting up a committee of ambassadors and a Council of Ministers—thus imitating the Community's own institutions.

The report identifies a number of trade concessions which should be demanded from the EEC, including the abolition of non-tariff barriers such as excise taxes on tropical products and a revision of the rules of origin so that more African products can get free access to the European market.

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ANP, the Government group, will scoop the pool in the Portuguese elections on October 28. But, reports Bruce Loudon, our Lisbon correspondent, the Government wants the biggest possible confidence vote.

A lack-lustre bunch

THE PORTUGUESE general election, for which campaigning has just begun, is going to be more than merely a foregone conclusion. The Government, beginning with Dr. Marcello Caetano, the Prime Minister, takes elections seriously.

It campaigns for all the world as if it could lose, announcing welfare reforms and exploiting economic progress.

It is not, however, as if it could lose, announcing welfare reforms and exploiting economic progress.

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exciting than the lists during the last election in 1969, just a year after Dr. Caetano came to power.

The "liberals" nominated by ANP in the last election to act as a ginger group for reform within have all but gone.

Only two survive, the youthful Dr. Mota Amaral, from the Azores, and Dr. José da Silva, from Oporto.

The others have departed, both because of their disillusionment with Dr. Caetano, and because they are now assured of a platform in the fast-growing weekly newspaper Expresso run by one of their number, Dr. Francisco Pinto Balsemão, which is proving remarkably successful.

Not only the "liberals" have gone from the ANP list: Dr. Caetano has shed a couple of ultras of the Right, as well, in Dr. Franco Nogueira, the former Salazarist Foreign Minister, and Dr. Teixeira Pinto, a former Minister of the Economy, both of whom have disappeared from the Lisbon list.

For the rest, however, the ANP nominees who will all be elected on October 28 are a pretty lacklustre bunch, though there are exceptions: The young party boss of the ANP, Dr. Elmano Alves, has been brought on to the list, while nearly a dozen Ministers or Secretaries of State, including the young and influential Secretary of State for Labour, Dr. Silva Pinto, have been attracted to stand for Parliament.

Naming so many members of the Government is a new development, and a rather curious one. Members of the Government are named by the Prime Minister, and do not come from Parliament.

Only three of youthful unknowns—a weird selection of intellectuals and were members of the Government. The Constitution stipulates that members of the Government who are also members of the Assembly may not take their seats there as long as they serve the Government, as they serve the Government, as they serve the Government.

Now the Opposition is in the hands of pronounced Socialists.

There is hardly a figure of note on an Opposition list anywhere, and nothing seems surer than that, because of its less moderate position the Opposition will not do nearly as well as it did in 1969.

This is assuming, of course, that they finally do go to the polls. For weeks Opposition leaders have been saying that they will use the comparative "freedom" of the campaign period to stir up anti-Government feeling, but withdraw before polling day crying "foul."

Dr. Caetano has moved smartly to prevent this by introducing a criticism of nominations to fill Angola's 12 seats in the Parliament (an increase of five compared with the last Parliament). Only one, and at the most two, of the candidates are apparently Black, which is, by any standards, a pretty poor showing.

It fits in with the rather early response from Angola to Lisbon's insistence on the promotion of Black participation—a reluctance that was shown in the local Legislative Assembly elections.

By contrast Mozambique shows itself regularly to be more progressive than other Portuguese territories on racial matters. Like Angola, it has an expanded representation of 12 in the new Parliament. Five of the candidates are Africans, all apparently talented.

While the ANP has gone for "safe" candidates, the Opposition, which is contesting only ten districts in Metropolitan Portugal (leaving 12 uncontested), and none overseas, has apparently abandoned what big names it used to have and gone for lists from Parliament.

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though they may retain their Assembly membership.

Two specific criticisms could be made of the ANP list: one is that they are apparently unrelated in any way to constituency popularity. Thus there is the appearance of Senhor Santos e Castro, a former Mayor of Lisbon who is now serving as the Governor-General of Angola, on the ANP list to represent Lisbon in the new Parliament.

One wonders how he will fulfil his Parliamentary duties.

There must also be some criticism of nominations to fill Angola's 12 seats in the Parliament (an increase of five compared with the last Parliament). Only one, and at the most two, of the candidates are apparently Black, which is, by any standards, a pretty poor showing.

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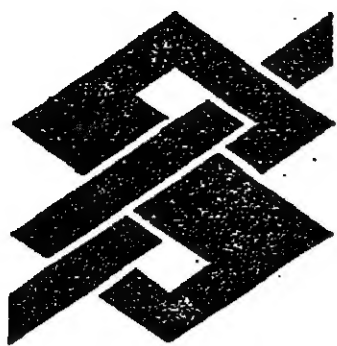
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While the ANP has gone for "safe" candidates, the Opposition, which is contesting only ten districts in Metropolitan Portugal (leaving 12 uncontested), and none overseas, has apparently abandoned what big names it used to have and gone for lists from Parliament.

the way to the polls, did quite well, polling an average 12 per cent of the vote in Metropolitan Portugal, with some bright spots like Setúbal, where it polled 34.6 per cent, and Lisbon, where it polled 34.3 per cent. At that time there were 1,113,000 votes cast by an electorate of 1,787,000, with an average poll of 62.3 per cent.

What Dr. Caetano desperately wants is as big a vote of confidence as possible—especially on the number one issue, the determination to stay on and fight in Africa. That he will get it seems certain, and here it should be reported, in fairness, that most foreign diplomats in Lisbon regard "rigging" in Portuguese elections as being at a minimum, and greatly exaggerated by those who do not understand local processes and who unrealistically compare them with House of Commons elections.

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OVERSEAS NEWS

Australian Minister offers a 'fair price' for gas

By MICHAEL SOUTHERN, AUSTRALIA EDITOR

SYDNEY, Oct. 3

THE DECISION of Mr. Rex Connor, the Minister for Minerals and Energy, virtually to nationalise the oil and gas supplies from the north west shelf of Australia, has created general confusion about Government policy for the future of the whole industry. There are now fears that the Government may extend its influence more directly into other production fields.

The Government has already indicated that it will be able to go ahead with the massive development of the north west shelf, on the mainland close to the proposed Pilbara scheme. The Government will now have to find money to allow its Sedgill Pipeline Authority to pipe the gas from the well head to the mainland in depths of up to 400 feet of water. That will put the group in the frontier of technology. It will also be involved in constructing a liquefaction plant and other facilities, which Woodside-Burmah estimates will cost about \$A500m.

Woodside's interest in the proposal centred on the fact that it would be uneconomic to take the gas across Australia to Sydney and Melbourne. It decided it should be used for the Pilbara to build a \$A800m. national grid stretching across Australia and linking to such important gas discoveries as Palm Valley in the Northern Territory, and Gidalepa in the north of South Australia.

The Government, as operator of the pipeline, would then carry the gas for whoever it belonged to. There are now fears that the Government will either buy the gas or control its use from other wells.

In his statement to-day Mr. Connor said his main objective was to "ensure that Australia's hydrocarbon reserves of all types are fully integrated in an overall programme. Australia is notably deficient in reserves of crude oil," he said, "to augment and maximise these

reserves, the Pipeline Authority Act specifically provides that the liquid derived from production of natural gas shall be retained in Australia and reconstituted into motor spirit."

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Carrington ends 3-day talks in Iran

By David Housago

TEHRAN, Oct.

THE REPORTED delivery of an advanced Russian TU-22 to Iraq raised during the British Secretary of State for Defence, Lord Carrington, who left Teheran at the end of a three-day visit declined to comment further at a Press conference before departure but it is known the Iranians are greatly worried by the development.

The belief here is that it prompts the Shah into plans for the F14 and F15 which are being developed by American navy and air force expressed interest in the air during his visit to Washington this summer.

Lord Carrington said that he had not discussed with the Shah the flights of Iran Russian MIG 25 Foxbat plus American intelligence sources have disclosed that there have been 20 such reconnaissance missions this year. Iranian not appear to have protested Moscow at this violation of air space.

The Secretary of State yesterday visited Shiraz southern Iran to inspect British unit that is providing technical assistance to Iranian forces taking delivery of the Chieftain tank indicated more British personnel would be sent to Iran. The British is that Britain has a responsibility to see that Iran get what help they want in maintenance and back-up facilities.

Reports which have been circulating here suggest that Iranians have run into difficulties with the Chieftain which they have ordered from Britain, and that this have been one of the purposes of Lord Carrington's visit.

Lord Carrington was committed in reply to a question on whether Iran would be making substantial purchases of equipment from Britain. It is believed how that the Iranians are interested in improving the sophistication and firepower of the armaments they already have. One additional instance might be the laser beam rangefinders through the Chieftain force greatest concentration of on however, is likely to be from navy to which Britain is principal supplier.

Speaking of the contribution that Iran and Saudi Arabia making to the stability of the area, Lord Carrington said, "It is clear that Iran, with its modern weapons has a conflict in this part of the world less likely rather than likely."

A deluge of letters andgrams has been received by Iranian authorities expressing disgust at the attempt to kill and assassinate members of royal family, according to a report from the higher Persian language newspaper Kayhan. Details of alleged attempts were revealed yesterday. It was disclosed that one of the members of group allegedly involved in plot, Namatullah Daneshmand, been sentenced to one year imprisonment for Communist activities in 1970.

Troops mass at Golan Heights

BEIRUT, Oct. 3

SYRIAN AND Jordanian troops have formed a joint front in the region of the Israeli-occupied Golan Heights to fend off a possible Israeli attack. Press reports said to-day.

Two Beirut newspapers, Al Hayat and the Daily Star, quoted travellers from the Jordan-Syrian border as saying Jordanian troops had been moved to the common border. It also said Moroccan troops deployed on Syria's Golan Heights border area some months ago have been moved close to the Jordanian border.

The reports said the Syrians and Jordanians feared a possible Israeli attack on Jordan in this region to thwart attempts by the two countries, in concert with Egypt, to reactivate the "Eastern Front" against Israel.

Reports of an Israeli troops build-up on the Golan Heights have emerged several times in recent weeks. Press reports said the build-up became more intense after the September 10-12 conference in Cairo at which King Hussein of Jordan patched up relations with Egypt and Syria. In Tuesday Al Hayat said Syria had put its army on "extreme alert" and was recalling reservists and pensioned officers.

Our Own Correspondent adds: A spokesman for the "Eagles of

the Palestine Revolution" (EPR), the commando organisation which has claimed credit for forcing the Austrian Government to discontinue transit facilities to Soviet Jewish emigrants, was quoted as saying here to-day the organisation is centred in Europe and has cells in all the European countries.

The spokesman, who was not identified, was quoted by the leading Lebanese magazine Al Sayyid as saying that members of the group are highly educated and are seeking to apply scientific methods in their operations. He said one of the commandos in the Vienna operation held a law degree who the secret was a mechanical expert. He emphasised the Vienna operation was so carefully planned that the help of a computer was mobilised to ensure success.

He indicated the group is newly formed, even though it had carried out other operations recently. The reason there was no publicity was so that formation of the group's cells in Europe may be carried out quietly.

He said one reason for creating the EPR was that certain commando elements had harmed the Palestine cause by undertaking abroad what he described as activity characterised by "infantile adventurism." He said the main goal of the new group is to strike at Israeli mili-

tary and strategic interests everywhere in the world.

He said the EPR is not a terrorist organisation and will avoid bloodshed at all cost, referring to the fact that the Vienna operation was fulfilled without any blood being spilled.

He denied the operation was aimed at the Soviet Union. He explained: "Our relations with the Soviet Union are good. We are not against the USSR, but against emigration by Soviet Jews to our occupied Arab land. We appreciate the assistance received by our people from the friendly Soviet Union."

According to Reuters Holland will not make a formal proposal to Austria that facilities for the reception of Soviet Jews on their way to Israel should be organised in the Netherlands until the Austrian government makes its stand clear.

This follows a visit to Austria by Israeli Premier Mrs. Golda Meir, where she failed to persuade the Austrian Chancellor, Mr. Bruno Kreisky, to reverse his decision to close down a Jewish transit camp.

Referring to reports from Vienna that Mrs. Meir had welcomed a Dutch offer of alternative facilities as generous and touching, informed sources said no official offer had been made by Holland pending a clarification of the Austrian Government's attitude.

LIBERIA

The purse strings of reform

By JANE BERGEROL

MR. WILLIAM TOLBERT in two years as President of Liberia has wrought changes in a country long mocked as a Firestone colony and home of top-hatted black capitalism which amount to little short of a revolution after the laissez-faire regime of his predecessor.

From the ordinary Liberian, the new leader, for the first time in the country's 126 years of independence, is demanding sacrifices—what is called locally "Tolbertism"—to reach "Higher Heights." In return, the government, also for the first time is pledged to take on the burdens of a modern welfare state, or what it calls "Whole-Some Functioning Society." Free primary and secondary education, some—and eventually all—free medical services, substantial road and public building programmes outside the capital, farming subsidies and guaranteed producer prices, and most recently, controls on prices of both imported and locally produced goods to curb soaring inflation resulting from the dollar crisis—these are manifestations of the state's increased role in the country.

The Government is moving towards its first ever five year development plan which will again break new ground by promising better regional development. More indicative still of President Tolbert's convictions is the desire to look inside the great corporation enclaves, to criticise, and change them.

For years Firestone and Lamco, the Swedish Granges-Liberian Government-Bethlehem Steel mining group, ruled the lives of their enclave inmates more immediately than the central Government. Now Government has taken over the company schools and medical services and ownership of the Lamco port and has begun to bargain with the companies for more benefits to the country. A World-Bank group has been studying the effects of the present investment code and a new one is being drawn up.

There is no question of ending

the open-door foreign investment policy. But the new agreements, which will affect every existing major foreign mining and rubber concern as well as future investors, will certainly

have some way to increasing taxation, profit-sharing, royalties and company responsibilities. State participation is already firmly established as a principle (50 per cent of Lamco and 50 per cent of National Iron Ore are Government-owned) but the more recent trend has been simply to require a Government stake in profits. Half of Liberian iron profits, half of the 10 per cent of Bong Mining profits go to the State. And that is likely to become a rule of thumb from now on.

The existence of a considerable and wealthy local bourgeoisie (headed by the rubber barons) with substantial private savings has for a long time been one of Liberia's distinguishing features in West Africa. President Tolbert has set himself to collect more of their taxes than they have hitherto volunteered (last year he netted \$8m. more). He has made strong pronouncements against tax dodgers who are to be brought to justice, and characteristically he launched "Rally Time," a campaign for every Liberian to contribute \$10 a head to revenue as another means of collecting much needed money. This netted \$4m. or more last year, although it would doubtless be more profitable to spend the time, energy and resources devoted to Rallying on improving the revenue services.

Warning shots

Aside from adequately taxing them, Mr. Tolbert is also out to encourage the Liberian bourgeoisie to invest and help develop the economy. A number of financial institutions are being revitalised (the Liberian Development Corporation for instance), others created, to help with credit to small and medium Liberian businesses, while warning shots (not of the first time) have been fired at the Lebanese trading community that certain

areas of enterprise will be reserved for nationals.

The main responsibility for development has now been taken on by the state. Inevitably, the overwhelming problem is resources. For the past two years, the depressed markets for iron ore and rubber (which in 1971 provided \$18m. of total exports of \$22m.) did not hit unduly hard at Liberia's finances since the trade surplus, even in 1972, remained a healthy \$74m.

But the demand slump nonetheless affected growth (down to 4.3 per cent in 1972 from a recent average of 5 per cent) and pointed up the need for diversification of the economy, both towards manufacturing and the surprisingly neglected agricultural sector.

Agricultural development seems to provide an answer to many Liberian problems. "Return to the soil" such as is now being preached, increasing both food production and cash cropping for export, will improve living standards and the trade balance simultaneously, and work towards more balanced regional development.

So far foreign investment—and even foreign aid—to agriculture has remained remarkably low mainly it would seem because of a lack of prepared projects. New technical studies are being made with foreign help and \$6.3m. are pledged to agriculture from foreign sources between now and 1979.

Elsewhere foreign aid will have to continue playing a heavy role in development. Finance, Education and health particularly have always relied on foreign aid to a remarkable degree. The lack of adequate budgetary resources for development is well illustrated by some of this year's figures: of a total budget of \$88m. only \$10m. can be set aside for "development" projects; despite notoriously low civil service salaries and the President's personal austerity programme. Taking a particular case, the Ministry of Education will spend \$7.7m. in 1973 of which little more than \$600,000 can be ear-

marked for development.

foreign aid pledges to education between now and 1977 amount to \$11.5m. all of which will be development projects.

Inevitably future foreign aid will raise the burden of servicing high levels of debt. But this year's surplus will get a cheering lift (likely to continue, with world shortage affecting the rubber output), buoyant demand for iron (Lamco is forecasting production of 12.3m. tons of ore this year) and diamonds, mainly smuggled from Sierra Leone, will increase exports nicely this year.

No nearer

Many fundamental development questions remain unresolved. Co-operation Guinea (based on a real friendship between President St. Touré and President St. Touré) with the aim of diverting the Guinean Mount Nié iron ore deposits will one day roll down the same quality to the sea. But the prospect of no nearer even sea Liberia than before, although energy supplies through a hydro-electric project with Ivory Coast on the Cavalla River and despite President St. Touré's outspoken attacks in the first year of a type plant in 1973, has of late produced its own estates every year.

More immediately development of the rich Wolof region on transportation problems operation, facing costs of cocoa and coffee and fruits these major issues are resolved unless some are resolved make a currently prospering will continue to lack even for the ambitious program

GLAN P
Develop
now exo

SOUTH AFRICA: Bridget Bloom sets the scene for next week's TUC mission

Black workers blocked by the law

WEEK-END. Mr. Vic Mr. Jack Jones and other senior members of the trade union movement for Johannesburg, 4-day "fact-finding" was first mooted last week in the wake of revelations about working conditions for Africans in mines. Their departure has been seen as another example of the concern felt in Britain about the South African situation.

Other mission is unique of the TUC. Last week officials roundly of those British companies were shown to be poverty-line wages to means employees. About at visit, there is much concern from Congress perhaps understandably of the South African Government at a time that a TUC mission might be treated in way as members of elementary Select Committee would be made unwelcome.

Under

reless, it seems clear Mr. Feather and Jones colleagues. Danny and Cyril Platt, both of the TUC's international committee, together with TUC's international (Allen Hargreaves) do not see the sort of mission in a foreign country normally mounted by a union. Though their plan will follow "usual" visits to four major centres and talks with government, community and company executives, the next two weeks could be face-to-face with which is very far from the usual.

also 11 African miners, by the South African Government demonstrations of begun with a pay incident serves as a reminder that the South African labour scene is very different from any other in the TUC in or to any other such on in almost any other.

are starkly still—there in which the shootings in Deep Levels, the mine could have been avoided. Though the loss of life has been a tragedy, the fact that it has happened in a year of un- and labour unrest in the country, it showed—as the peaceful if illegal African workers has co-ordinated what can happen in a mining society in this considered normal countries.

h Africa, African trade may not be registered,



Left: strikers demonstrating in Natal earlier this year. Right: mining recruits, drawn from all over Southern Africa, undergoing acclimatisation training at high temperature



and their members therefore may not strike. The concept of equal pay for equal work between Black and White is not accepted, while there is, additionally, little stability or prospect of harmonious labour relations from a workforce which is primarily based on migrant labour and subject to the most stringent regulations controlling their personal mobility.

But if the labour unrest stemming is one of the most remarkable trends within South Africa in recent times, it is in the context of the international pressures which have been mounted against the Republic that Mr. Feather's mission must be seen. In the early 1960s, these pressures found expression in UN debates about mounting an international blockade of South Africa, and in attempted boycotts of South African goods. In the last few years the emphasis has shifted: the most controversial weapon of those who hope to pressure South Africa into changing its policies is now the international business corporation.

The campaign began in the U.S. for a variety of reasons, not least because of the very considerable interest in the issue of the Black caucus in Congress. Initially it was pointed out by a distinguished Black American in this paper yesterday, the campaign was aimed at persuading American companies to pull out of South Africa (a course of action still backed by such radical groups as Anti-Apartheid). Lately, the impracticability of such a step has been recognised by most of the U.S. groups, who in the last two or three years have campaigned to get companies with investments in South Africa to radically improve conditions of their African workers. The Polaroid case—where the company doubled the wages of its 150 African employees and

created conditions of work as equal as the law allowed for Black and White—is the best known, but there have been others.

American investment however is only some 17 per cent. of total foreign investment in South Africa against the British share about 60 per cent. Given the American campaigns, it was inevitable that sooner or later the spotlight would be turned in the British direction. The articles published in the Guardian in March—they were new in the manner in which they were presented rather than the facts they contained—provided a spur for a campaign aimed at British investment in South Africa, and since then, all three political parties have taken a stand on the issue. We have had a Parliamentary Select Committee of Enquiry, and now the TUC is going to South Africa to make its own assessment. But, one may ask, what has all this furor achieved?

Improvements

First, there have been undoubted improvements in the level of African wages in many of the companies spotlighted by either the American or the British campaigns. Some of these rises would have been granted anyway but others almost certainly would not. It seems probable (although there has as yet been no thorough survey) that some of those companies who were found to operate poor or non-existent services for their African workers (housing, or medical treatment, or food) will have made improvements; and others are making greater attempts to bridge the yawning communications gap between white management and African worker. (A case in point is Anglo-American—South African, not foreign—which has appointed an advisory panel of

black and white members, Natal. But the amendments made, in the view of most observers of the South African labour scene, have done little or nothing to give Africans a meaningful platform for bargaining. Strikes, within "essential services" (very widely defined) are forbidden in all circumstances, while the main "new" provision is to extend a 20-year-old, little used committee system which allows Africans to elect committees to represent their views to management and only in the most stringently controlled circumstances to come out on strike. Likewise, the Government's decision, announced by Finance Minister Dr. Diederichs in April, to appoint an inter-departmental committee to examine the possibilities of pre- or in-service training for Blacks in White

particularly adamant in the defence of their privileges), companies may even introduce equal pay for equal work. Much that could be done within the law remains to be done. Yet when the limits are reached, the system will not have been changed.

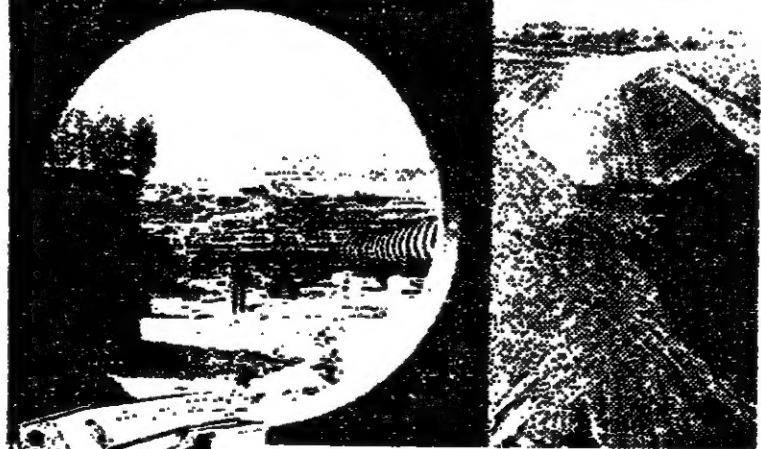
Which raises the second fundamental point. It has long been argued that the demands of the South African economy—the need, essentially, for more skills and bigger markets, both of which South Africa's Blacks could supply—will eventually bring about in South Africa the labour situation which pertains in most other countries—free bargaining, and the rate for the job, regardless of colour.

Considerations

That time seems far off, and the argument, incapable of proof at this stage, will no doubt go on. It is worth, however, pondering the words of South Africa's Minister of Labour, Mr. Marais Viljoen, at last month's Bloemfontein conference of the ruling National Party. "No matter how important economic considerations and achievements may be," the Minister said, "there are social considerations— affecting the maintenance of our White identity—which are far more important to us than any economic considerations." Mr. Feather and his delegation, having consulted many British companies with investments in South Africa since last March, have obviously done their homework and they will remove the more obvious through the complexities of the distasteful aspects of apartheid, such as separate elevators or canteens for Black and White. In some cases (where, for example, White unions are not they deplore.

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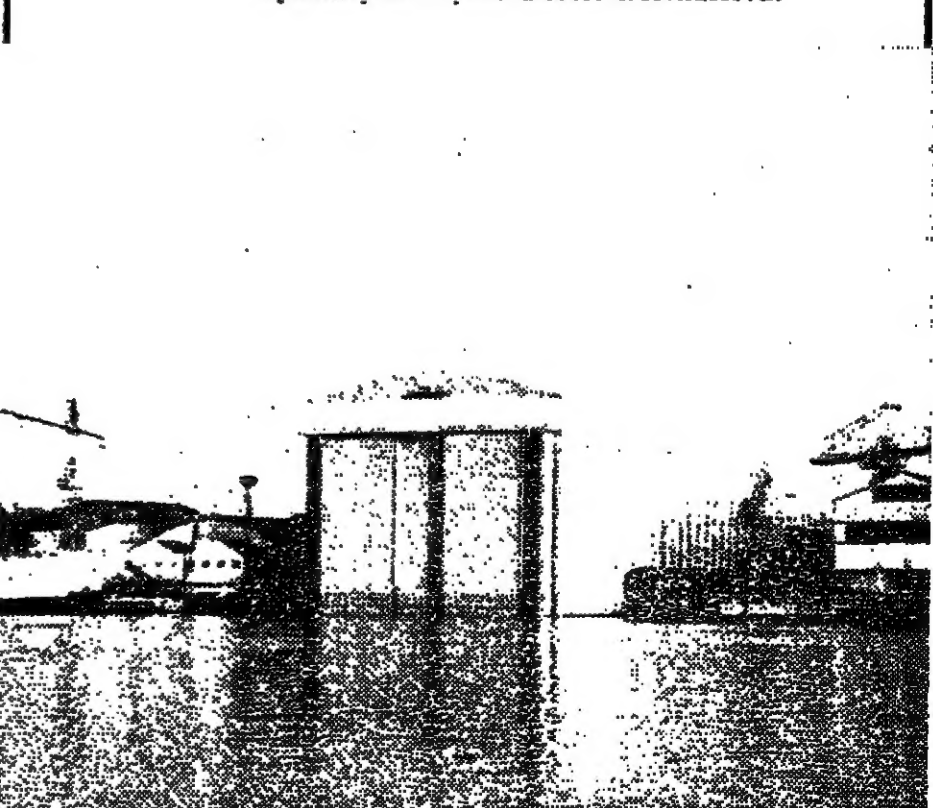


Irrigation in Romania

But the water level in the Danube, water from the River Danube is used in the first phase of the 100,000 acre irrigation scheme being constructed in Romania by Wimpey & Co. Ltd. with the Romanian Ministry of Agriculture. Work completed next year this will be one of the world's most modern irrigation schemes and the first to incorporate fully automatic control of water levels. For this project £20 million of British plant and equipment is to be exported.

SHIPBUILDING UNDER COVER

Two 450-foot long covered shipbuilding berths have been designed and constructed in conjunction with the Vosper Thornycroft Construction Department for their Shipyard in Southampton. Subcontractors for superstructure: Conder Ltd. Quantity Surveyors: Dearle & Henderson.



A new Thames-side development in Battersea.

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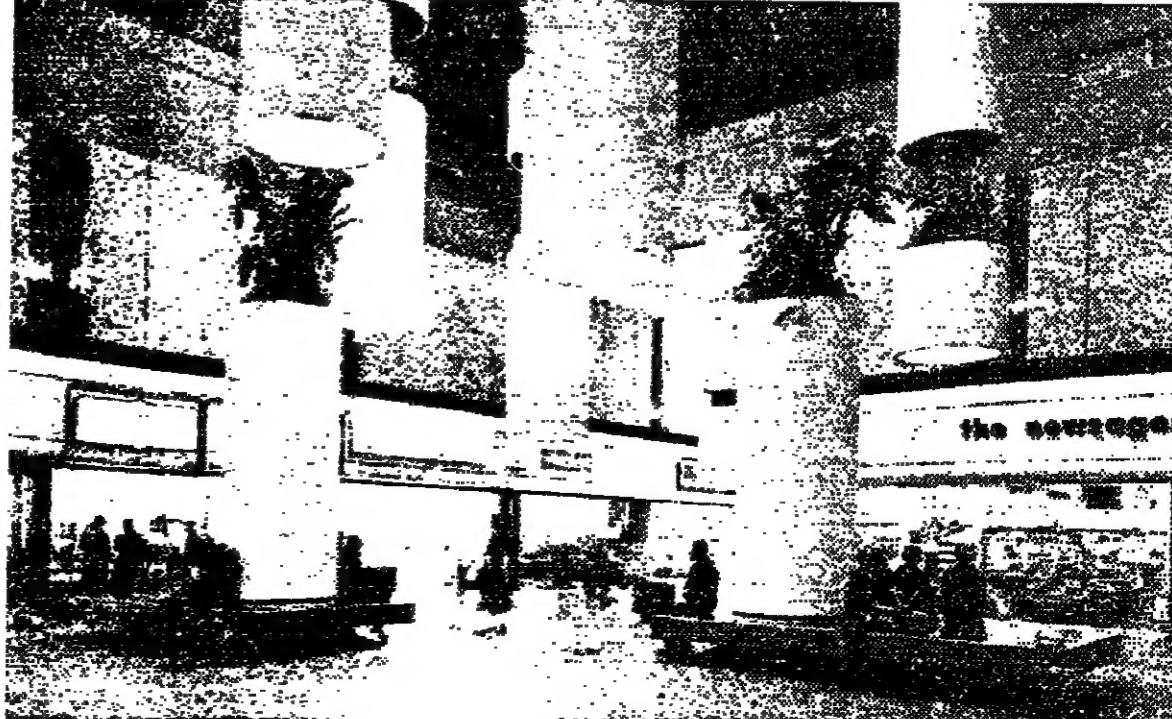
Development programme now exceeds £110,000,000

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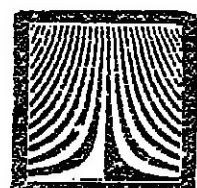
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New scene, Redditch

This attractive shopping precinct is part of the Redditch New Town Centre, the first phase of which has been completed by Wimpey Birmingham. The scheme incorporates shops, offices and multi-storey car park. Designed by Brian Bunch, RIBA, MRTP, Chief Architect & Planning Officer, Redditch D.C. Structural Engineers: Ove Arup & Partners; Surveyors: Silk & Frazier; both firms in association with the Development Corporation.

WIMPEY



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

ELECTRONICS

Fast checks on car body dimensions

CHECKING OF 3-dimensional measurements on car bodies is reported to have been speeded by the production of an electronic system at the Austin-Morris Division of British Leyland at Longbridge, Birmingham.

It is stated that 21 measurements, accurate to within 0.5mm, can be taken within two minutes and a printed record produced, once the car body has been grouped into a specially constructed measuring jig.

The test equipment, which has cost some £9,000 to install, provides detailed information about each suspension point — whether clearance limits that are as fine as 0.5mm, in some instances, has been the responsibility of the control console located immediately adjacent to the test rig.

The console has a large illuminated mirror diagram above it with each of the 21 dimensional measurements numbered and keyed to plan and elevation views of the Allegro.

Once the full 21-measurement sequence has run through, the print-out record is detached and readings compared with those on a printed check form listing permissible tolerances for each mounting point. Any excessive errors can be immediately pinpointed and information quickly sent back along the production line to the relevant maintenance team.

When connected with a pressure source, such as the engine's intake manifold, the module provides an accurate analogue voltage that is in near proportion to the absolute pressure at the source. This voltage can serve as a control signal for electronic fuel injection, ignition control or other systems. It may play its part in reducing exhaust pollution.

The module is among the first of a series of self-contained sub-systems being developed for automotive use by Fairchild Engineering quantities have been supplied to all major U.S. auto manufacturers for evaluation. Current price projections indicate that the pressure transducer will be suitable for

Low cost pressure sensors

NEW self-contained solid-state pressure modules, developed for the automotive industry, are available in engineering quantities from Fairchild Camera and Instrument Corporation.

When connected with a pressure source, such as the engine's intake manifold, the module provides an accurate analogue voltage that is in near proportion to the absolute pressure at the source. This voltage can serve as a control signal for electronic fuel injection, ignition control or other systems. It may play its part in reducing exhaust pollution.

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Tiny tube cuts costs

AN 183M diameter vidicon tube, not previously available from a U.K. maker is now being offered by EMI Electronics and Industrial Operations, Blyth Road, Hayes, Middlesex.

Called the 9831, the 4-inch tube is designed to be operated in standard 18mm scan and focus coils and is primarily intended as a direct replacement in existing compact television cameras.

The vidicon features a low

wattage heater, separate mesh construction and high quality processing of the target layers. This offers better shading characteristics and improved sensitivity. The tubes are produced to very close limits and are individually tested immediately prior to despatching to the customer.

Clearly the size and weight of the associated scanning assembly can be considerably reduced. The tube is normally associated with industrial cameras, but higher grade versions will be offered for use in broadcast and educational television studio and television equipment. Specialised formats will include non-browning faceplate versions for use in fields of nuclear radiation.

A version with a fibre optic faceplate for direct coupling to an intensifier eliminates the need for an intermediary coupling lens, providing a much higher light transmission. An ultra violet sensitive target layer will be available for use in microscopy and for inspection of items which are surrounded by intense red heat.

Because this has negligible dark current, it permits a signal current to be integrated over a period of time and enables the tube to be used for low light scientific purposes.

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SERVICES

Cheer for bureaux

ROSY FIGURES for the service industry in the first quarter of 1973 are disclosed in the first issue of the Business Monitor devoted to this area of data processing issued yesterday.

By comparison with the period a year before, the first quarter of this year at £23.5m, turnover was some 30 per cent up and the same 30 per cent up in the second quarter. The first quarter at £16.3m, and to work done for parent companies at £7m.

If the rising trend continues it could be that for the first time the service operations turnover this year will exceed the £100m mark, which is very respectable despite the present strong inflationary trend.

Looking at the breakdown of the figures by applications, it is significant that computer processing of package programs is a stagnant market whereas computer access working at over 100 per cent in the first quarter and some 50 per cent up on the first quarter of 1972.

Numbers of staff are increasing again at 15.118 but are still only 500 down on the peak levels of the industry hit the very bad patch of early 1971.

COMMUNICATION

Getting a quick reply

AN ATTACK on the teletext answering machine market has been launched by Audiotext, Volpoint House, Tolgate Road, Salisbury, Wilts.

This company is offering a machine made in West Germany, by Comput, a member of the Zeiss Group. There are three models and it is claimed that the up to £20 a year machine is more than machines already on the market. The C2000 is the most sophisticated of the machines. Apart from recording incoming calls, it will play back immediately whoever has the "trigger" code. All messages received.

The other machines are the C500 which answers the phone, takes messages and acts as a dictation machine, and the C100 described as a more basic machine that merely answers the telephone.

It is stated that Post Office approval for the machines has been obtained. Rentals are on a 1, 3 or 5-year basis.

EXHIBITIONS

Radio theme puts on more weight

WITH TEN months in hand before Communications 74, the second International Radio and Data Communications Exhibition and Conference, more stand space has already been booked than was occupied at the first exhibition in 1972.

Of the 52 exhibitors who have already taken space for the 1974 event at the Metropole Convention Centre, Brighton, 40 took part in 1972, and these organizations have booked 47 per cent more space than they occupied at Communications 72.

The sub-theme of Communications 74 is "Radio and Data Communications," and each of the four days of the event (June 4 to 7) has been given a special theme to reflect this. Day 1—Data Communications; Day 2—Mobile Communications; Day 3—Radio Communications; and Day 4—Defence Communications.

DATA PROCESSING

Laser pen reads the labels

AFTER a protracted test period, Univac is planning to offer to supermarkets an optical scanning system based on universal product code symbols.

Using low-powered lasers to provide the scanning beam, the equipment is linked with dual minis from RCA with disc storage to provide the information processing capability.

The scanner reads the labels on products which the cashier passes across a reading slot. A display shows the price to the

customer and this is automatically printed on a register tape. Bills are totalled and taxes calculated with an indication of the change to be given.

Management can obtain a variety of data from the system including sales by department or checking out points, sales movements of various products and other essential information.

In the test period the equipment has been shown to improve productivity at the check-

Production of bar code made easy

PRAGMA has begun deliveries on a contract exceeding £150,000 with Plessey Telecommunications to supply Plessey with a quantity of special bar code label printers, designed and manufactured by Interface Mechanisms Inc. of Seattle, Washington, U.S.

The Plessey system uses a hand-held light pen to scan the labels and record the information on magnetic tape. The Interface printer has been used by Plessey in various point of sale applications as well as in a particularly successful library system where the labels are used to keep track of the circulation of books and other library materials. A typical system is installed at the Kentish Town branch of the Camden Public Library.

To date, some 70 systems have been sold in the U.K. for library use and Plessey has commitments for a further 200 such systems in the export area.

The Interface printer is a low cost keyboard device which reproduces different types of bar code labels, including the special

number can be held in memory so that multiple copies of the same label can be made. Pragma is at Middlesex House, 29, High Street, Edgware, Middlesex HA5 7TV.

and a general purpose processor. All of this is packaged in a compact unit that's slightly larger than a typewriter and weighs 55 pounds.

Training of operators is simplified by the use of the terminal's visual display which itemises step to step the action required.

The system's software is of generator type, simple to implement and efficient to use. The software system is specifically designed for high volume, data entry, validation and verification. It is contained on self-loading tape cartridges. To change applications, the operator simply locates an alternative program or loads another program cartridge.

Singer operates from Wedgwood Way, Stevenage, SG1 4PU, Herts.

Terminals with many roles

SINGER Business Machines has developed a powerful intelligent terminal system for data entry, data validation and communications applications.

Singer 1600 series is a self-contained data processing system with a range of peripheral devices and software.

Principal component of the system is a desk top console that combines a display, input keyboard, two magnetic tape transports, input/output interfaces for multiple peripherals, a solid state memory of 8K-8 bit bytes,

HANDLING

Air cushions answer to big loads

THE POSSIBILITY of handling loads up to 30,000 tons or more by means of air pressure is being studied by Air Cushion Equipment of Southampton.

This statement has been made by the company following work being carried out under a £50,000 Government contract for the development of a high pressure skirt system capable of moving a 1,000 ton load.

The company says that as the result of the current development it intends to set up a Contrails Load Moving Service specifically to cater for the handling of indivisible loads of virtually any size or shape and is at this moment looking for a suitable partner experienced in rigging, creating and hauling.

According to Mr. T. C. A. Horn, managing director, had this air cushion technology existed when offshore drilling platforms were being considered, many millions of pounds would have been saved during the last two years in the building of the first two North Sea drilling platforms.

"The jacket structures or leg units for these platforms," he says, "measure up to 500 feet in length and necessitate the use of construction of very large dry docks to get them launched before towing to site in the North Sea. One such dock had to be specially built and it is known that a set of air cushion equipment for launching a jacket structure from a shore site straight into the water could have been provided at one twelfth of the cost of that dry dock."

612H are for driving advance headings, for ripping and for normal development drivages working in conjunction with either conveyors or mine cars. It has high stability on gradients (it has been tested successfully on one in three) owing to its low centre of gravity and the long track contact area with the ground.

Compact size (track width is only 3 feet—814 mm) and width over bucket is only four foot one inch—1244 mm, while caging height is four foot six inches—1722 mm) allows it to be conveniently parked under a conveyor, when not in use, and makes the machine ideally suitable for use in narrow roadways or at the ripping in a main gate.

Loader for confined spaces

MODEL 612H side and front dumping loader, introduced by Clenco (Great Britain), is for loading jobs in confined areas with a low head-room and narrow width. It is a small highly manoeuvrable machine with electro-hydraulic finger tip control operation and all-hydraulic transmission, each track being driven by individual hydraulic motors.

The main applications of the

SAFETY

Handling a dangerous chemical

FOLLOWING a number of significant contracts for task inserting in the chemical and petrochemical field, John Kerr was recently asked to advise on an operation posing safety problems at a chemical works.

Three disused carbon bisulphide tanks were contained in a concrete pit, the top of which was at ground level. The pit was normally kept full of water and had been so for a number of years. However, it had become necessary to replace these tanks with new ones, thus necessitating the removal of the old ones from the pit and their subsequent dismantling.

The hazardous nature of the contents posed several problems. It was suspected that the pit itself contained a quantity of liquid carbon bisulphide, lying beneath the surface of the water due to its higher gravity. As the tanks themselves contained the same hazardous material they could have to be lifted, emptied as far as possible, and taken to a safe place for demolition. This had to be done as near the pit as possible, as removal on the highway would not be permitted due to the chance of leakage from the tanks becoming a major environmental condition. Finally the pit from which the tanks had been removed to be dismantled was next to another

Magnetic hoist is safer

A NOVEL means of switching a steady magnetic field has been patented by the Mullard Application Laboratory at Southampton. This enables manufacturers to make hoists that use permanent instead of ferroelectric magnets, providing an extra safety factor should the power supply fail.

The magnetic grab contains a magnet block fitted between two pole pieces, with a coil around one pole piece. When there is no load, the pole pieces cling automatically to the keeper and complete the magnetic circuit. At the same time, the spacer rods protrude below and prevent anything touching the pole pieces.

When a load is to be picked up, a current pulse through the coil reverses the magnetic flux in the pole pieces, directing it towards the load; the keeper is released, the spacer rods withdrawn and the magnetic circuit completed by the load. The load is released by passing another current pulse of opposite polarity to the first through the coil and reversing the magnetic flux again.

With magnet blocks now available, the hoist can lift up to three tons with new magnetic materials being developed, much greater weights can be lifted.

The electronic circuits needed to produce the "on" and "off" current pulses can be quite simple. Furthermore, the power needed for the pulse is so little that it can be supplied by means of small rechargeable batteries, thus making the hoist independent of the mains supply.

More details from Mullard House, Torrington Place, W.C.1.

An interesting Antriebswelle

This is a transmission shaft for the automotive industry. It was ground on a Matrix S10 Automatic Spine and Gear Grinding Machine. The production technique is the same in the Ruhr or the Rhondel and production engineers the world over look to companies like Matrix-TI for the most cost-effective, practical solutions to their problems.

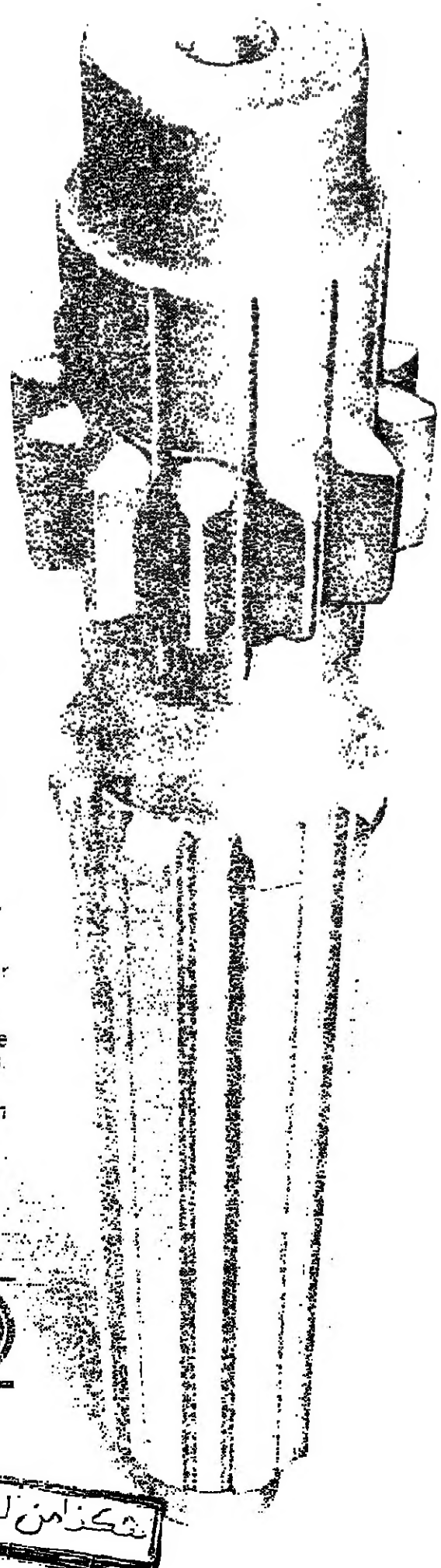
Matrix... Rockwell... Churchill... Healy... these are four of the famous companies that have pooled their resources to provide a total machine tool capability within the Machine Tool Division of Tube Investments.

Matrix are world-renowned for high-precision thread, spine, gear and surface grinders, machining centres, lathes and broaches. Rockwell's advanced strip-forming machines use coiled stock to produce intricately formed parts by sequential pressing, punching, folding, bending and cropping. Rockwell are also sole UK distributors for Matrix and for a wide range of imported machine tools. Churchill have Europe's widest range of high production gear processing machines, profile lathes and automatic chucks for small batch and volume production. Healy of Leicester supply advanced electrochemical forming (ECF) machines, and undertake contract work using ECF and conventional metalcutting techniques. Every day the big names in Machine Tool Division TI are saving production problems and cutting costs for someone, somewhere in the world.

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Hugin announce their new electronic cash register

In Norse legend, Hugin was one of the two ravens sent out daily by Odin, King of the Gods, to bring back news from all over the world.

Today, Hugin Cash Registers give new life to the legend with the introduction of the Hugin 300 electronic cash register - a data-capture system far more sophisticated than Odin ever dreamed of!

Vital information gathered at source

The check-out point in a modern store contains a wealth of information vital to retail management: which are the best-selling lines, which lines need restocking, which colours and styles are coming into fashion, how do the performances of different departments or sales staff compare with each other... The list is endless.

And this is the information which the Hugin electronic cash register gathers at source—before it's had time to be filtered through any other intermediate systems.

Errors eliminated

The Hugin system can be linked to a computer for feeding in data as it is picked up from machine-readable price-tags. Or it can be used on its own as an extremely fast conventional cash register capable of storing 109 totals. Or it can be anything in between.

But, in all cases, it cuts operator errors to a minimum and, in most cases, eliminates them altogether.

Stock control made easy

With continuous—and instant—updating of your stock situation, stock control becomes easy and long-range buying plans can be based on knowledge rather than hunches. And, since you can order in smaller quantities at more frequent intervals, your cash-flow situation benefits immediately.

Increased productivity

With the Hugin 500, transactions are speeded up, customers have less time to wait at the check-out point, credit



Verification can be effected immediately. Your accounts department has the day's sales and VAT totals available the moment you shut up shop, your sales are audited automatically.

Controlled security

By using a constant background of color and illustrations, your staff, customers, and the media to your customers, the "M" 300 makes you a degree of control and customer control you will find hard to believe possible.

45 years solving retailers' problems

Of course, the Hugin 300 isn't the only electronic cash register on the market at the moment.

But there's a very good reason why you should consider it: the same reason that any retailer should consider anything Hugin have to offer. For over 45 years, we have been supplying cash registers of every conceivable kind to the retail trade all over the world. And we are, of course, part of the Swedish I.F. organisation, one of the largest retail groups in the world, operating 170 department stores and 3,000 supermarkets. This acts as a laboratory for testing all our products under live conditions.

**See the new Hugin 300
at the BEE**

This latest triumph of ours, our first electronic cash register - the Hugin 300 - is now being demonstrated on the Hugin stand at the Business Efficiency Exhibition.

If you have anything to do with retail management, you owe it to your company to come along and take a look at it.

And, for whatever reason, you can't make it to the BEE, send off the coupon at the foot of this advertisement. We'll send you full details of our systems by return.



Hugin: more than just a name
Hugin share more than just their name with Odin's raven. Like the raven, Hugin are based in the land of the Vikings: their Stockholm factory manufactures many thousand cash registers every year.

Like the ravan, Hugin operate on a world-wide basis, and their organization includes subsidiaries and representatives in over 30 different countries.

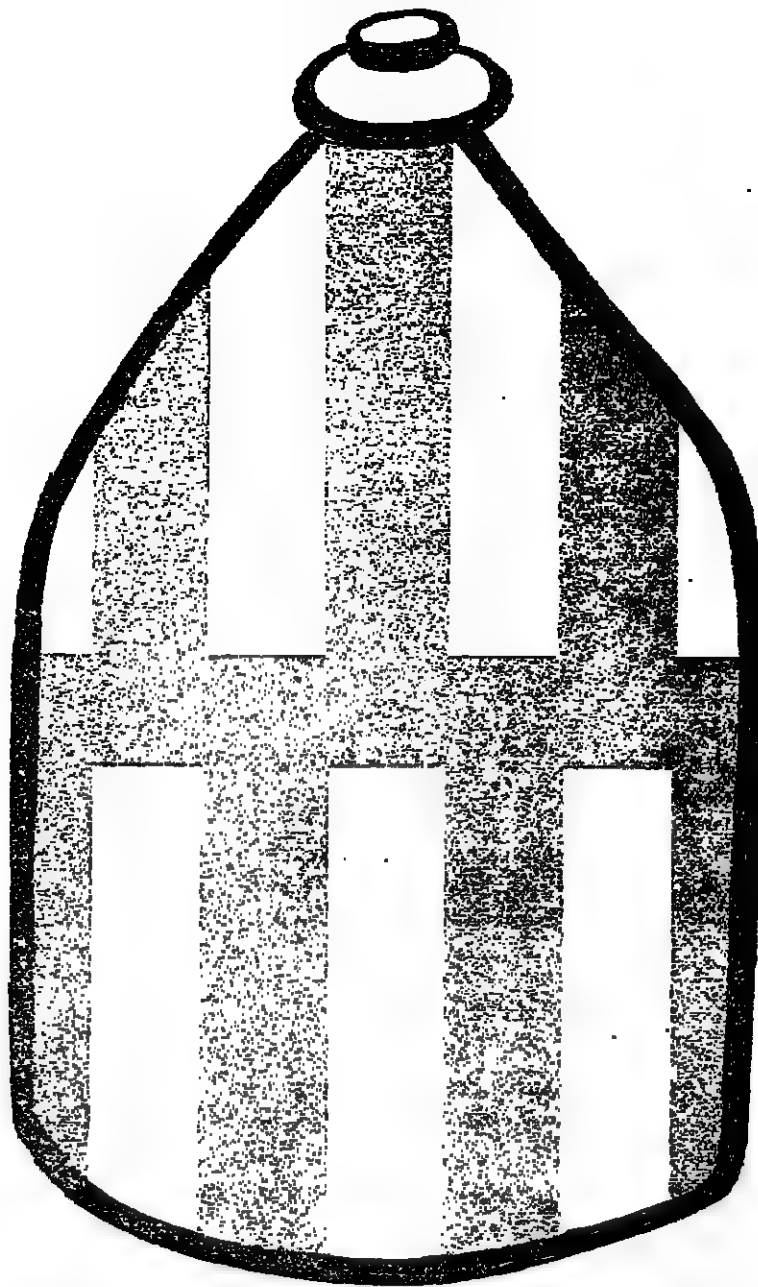
Like the rajan, Hugin are concerned with providing totally accurate management information on a day-to-day basis.

However, unlike the raven, Hugin have had over 45 years of specialist experience with one of the largest retail organisations in the world.

All of which has helped to make them, in the retail world, a legend in their own time...



Northumberland: on the scent

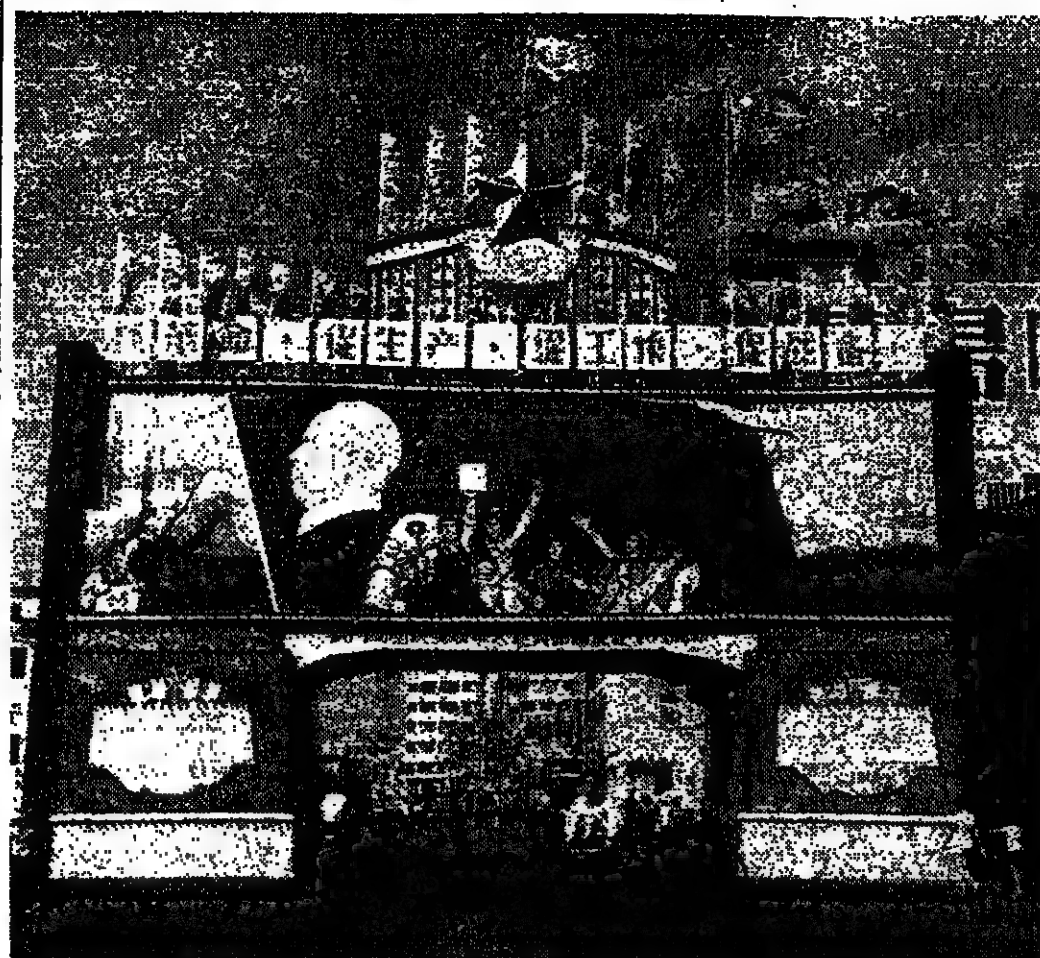


Northumberland. The home of Shulton's "Old Spice". And lots of other big names. Like Wilkinson Sword, Burroughs, Ronson, Kimberley Clark, Dunlop, Stanley Bridges, Hardy's of Alnwick. And many more. The space place. Where there's plenty of room to grow. Fifty minutes from London by air, six times a day in each direction. Three and a half hours by Inter-City. Four and a half by car down the A1 and A11. Northumberland. A good place to work. And to live. Four-fifths of the County is rich countryside, steeped in history. Northumberland. For expansion-minded industrialists on the scent. For full information, contact John Ross, County Planning Officer, County Hall, Newcastle upon Tyne NE1 1SA.

Tel: 0533 26613.
Telex: 537048.

Northumberland

A member authority of the North of England Development Council



A prominent feature of the Macao waterfront, erected to mark Red China's National Day in 1968—which was also the nineteenth anniversary of Mao Tse-Tung's rise to power.

NOT SO long ago Macao was for a modicum of trade with China and there was gambling. As gambling was and still is illegal in Hong Kong apart from horse racing and lottery, it was still largely in place and there was also the gold trade. As far as its trade statistics were concerned, Macao did not export any gold at all. The joke for a long time was that all of Macao's citizens were walking around with a ton of gold in their teeth, since dentistry was often given as the reason for heavy gold imports.

In practice most of the gold found its way across to Hong Kong and various other parts of Southeast Asia. The arrival of a free market in gold has wiped some of the gloss off Macao's trade, but as recently as 1971 Macao imported patacas 265m. worth of gold (a pataca is worth about 5p).

After the war nobody looked too closely at how Macao made a living. Hong Kong soon bypassed it in China trade, but there was enough manufacturing

dominantly run the place, in practice it is the Chinese with a direct line to Peking who make Macao tick. There are only two Portuguese secondary schools and though anyone born in Macao is entitled to a Portuguese passport, since Lisbon regards Macao as a province or integral part of the mother country, last year, for example, only around 20 students went to Portugal for higher education. Macao is now in the middle of an economic boom and it is almost entirely by-passing the Portuguese. It must be a long time since Portugal has made money out of Macao and it seems unlikely that it will do so now. There is merely a handful of Portuguese businessmen in Macao and they do not appear to be heavily involved. If at all in the sectors which are feeling the boom.

At one time it was reported that the Governor asked the Chinese Left-wing groups for one month so that the Portuguese could clear out for good. But at that stage the Chinese pulled back. So although the Portuguese are still in Macao and

Sharp fall in office permits for South East

By Our Industrial Correspondent
THE NUMBER of office development permits issued by the Department of the Environment for the South East fell sharply in the first half of this year compared with the same period of 1972.

The latest figures from the DoE show that 131 permits were issued in the second quarter of this year, covering 6.5m. sq. ft. of office space. This is 18m. sq. ft. less than in the second quarter of last year and below the quarterly average of 6.9m. sq. ft. recorded for 1972 as a whole.

In all, 280 office development permits were issued in the first six months of this year, covering nearly 13.5m. sq. ft. of space. This compares with 264 permits granted in the same period of 1972, for nearly 17.4m. sq. ft. Since December, 1970, the office development permit control has been operated only in the South East region.

After deducting the amount of office space relinquished between April and June, and taking account of floor space covered by permits for the continuing use of existing offices there was a potential addition to office space in the second quarter. This addition, the result of new building and conversion of non-office premises to office use, amounted to 8m. square feet.

This compares with 6.2m. square feet for the corresponding quarter of last year and a quarterly average of 5m. square feet for 1972 as a whole.

Of the 131 permits issued in the second quarter of this year 32 were for office development in Central London and covered 1.6m. square feet.

Another 45 permits were for office development in other parts of the Greater London Council area, 29 for the Metropolitan area excluding the GLC and the rest for other areas in the South East.

Macao: Chinese boom in a Portuguese colony

BY STEWART DALBY

Conceicao, to have increased by 40 per cent. Last year, total exports were patacas 410m., which imports—67.3 per cent of which came from Hong Kong and 26 per cent from China—were patacas 583m. It is significant that Portugal accounts for less than 4 per cent of Macao's imports (counting both Portugal proper and its other territories), while 18.4 per cent of the province's exports go to Portugal and the Portuguese territories.

The visible trade gap of less than patacas 200m. a year must now be more than made up by invisible earnings—tourism and particularly gambling. It is the men who hold and have held the gambling concessions who provide the most interesting insight into the curious condominium of Hong Kong capitalists and Communist Chinese who now run Macao. Until 1961, the gambling concession for which the Government gets a small payment every year, probably of the order of patacas 10m., was held by two Macanese Chinese, Ho Yin and the late Fu Tuck-yam, who used also to run the gold syndicate. According to Mr. Richard Hughes in his book, *Borrowed Time*, Borrowed Place, Fu was one of the last old-style individualists on the China coast.

He reputedly shared Sherlock Holmes's weakness for indoor pistol practice at the family residence. Fu was kidnapped in 1946 while smoking opium in a Buddhist retreat and his family paid \$62,500 for his release. When one of his sons was kidnapped in 1953 and a similar ransom was demanded, Fu refused to pay, pointing out with Chinese reasonableness that he had enough sons anyway. Mr. Hughes says.

Hotels

In the early 1960s the gambling concession was prized from Ho and Fu by two enterprising Hong Kong Chinese, Stanley Ho and Teddy Yip. Fu who had held the concession for 24 years did not live long after his death. But Ho Yin, now in his sixties, is still very much alive. He is generally thought of as Peking's front man in Macao. He has a seat in China's National Assembly and he is also a "very good friend of Chou En-lai's" according to a local newspaperman. Yet he has decidedly bourgeois tastes and is considered to be a rich man. He has a luxurious villa, and is said to enjoy a night out at the dog races. He certainly has banking interests and it is his construction company which is building part of the bridge now nearing completion from Macao to the island of Taipa. In many ways Ho Yin epitomises Macao.

The other man who does so is Stanley Ho. Since winning the gambling concession in 1961 he has pushed very hard to develop Macao's tourism. A 65-year-old Hong Kong businessman who claims that he went to Macao at the age of 19 with only \$10 in his pocket, he was responsible for building the Hotel Lisboa, which dominates the Macao shoreline. Inside there are two casinos, shopping arcades, one lined with baysian trees, and another of his companies runs a hydrofoil service from Hong Kong in one hour instead of the three hours the ferries take. He is also the driv-

ing force behind the new Hotel Sintra and a plan to reclaim land on the outer harbour.

What Ho makes out of the gambling is his secret, but it is extremely unlikely that tourists and gambling bring in less than patacas 200m. a year. There were 2.1m. visitors to Macao last year and though many of them probably did not stay overnight, it is extremely unlikely that on average they spent less than patacas 100 each. One money-changer told me that he felt \$HK 300m. a year from tourists was probably a conservative figure.

Given that Macao is now probably making a balance of payments surplus, it is natural to wonder whether the province is sending anything back to Lisbon. The short answer is no, though one finds curious anomalies in the budget accounts, such as Macao sending back a few million patacas for the upkeep of hospitals and zoological gardens.

Infrastructure

The Portuguese government of Macao operates a tiny budget of less than patacas 100m. a year. The Communists run many of the schools, but the administration must find the cash for roads and the like. Many infrastructure projects which are becoming pressing, such as a new electricity plant, must be financed by Lisbon and will probably be financed by loans from Portugal. A deep water port costing \$HK90m. is planned, the bridge to Taipa Island is being financed by a loan from Portugal and there is even talk of an airport.

The Portuguese administration has little scope for raising revenue. There is not even a systematic income tax. The administration balances its budgets and does not have funds left over. This is also the case in Hong Kong even if the budgets are larger. There, a lot of the reserves are held by the private banks.

Until recently there was only one bank in Macao, the Banco Nacional Ultramarino, which is the issuing bank. This year a couple of foreign banks have been allowed to set up, soon two Portuguese banks will follow. Like Hong Kong, Macao has a foreign exchange restriction. However, unlike Hong Kong it lacks a sufficiently sophisticated banking system for this to be a hindrance for much money. For the moment, the surpluses the province is making are finding their way back into Hong Kong bank accounts.

Modern blocks

That Macao should start looking like Hong Kong may not be a bad thing. Unfortunately it is a more unpleasant aspect. Macao is still an extremely picturesque place. Building is proceeding at such pace that it is not difficult to foresee that in the near future it will look as modern and unattractive a metropolis as Hong Kong does. The old villas and hotels along the Praia Grande, which curves around the bay lined with baysian trees, are making way for undistinguished apartment blocks. Many of Macao must feel that the architecture and look of the province is the one bit of Portugal that they would like to keep.

ADAMS FOODS

"MOST EXCITING & SATISFACTORY YEAR" FURTHER INCREASE IN PROFIT

The Annual General Meeting of Adams Foods Ltd was held on 3rd October 1973 at Leek, Mr F Adams (Chairman) presiding. Mr Adams announced that he would be retiring as Chairman at the end of the current financial year but would continue to attend meetings of the Board in a non-executive capacity and to carry out certain special duties from May 1974 when he becomes 60. Mr Adams will be succeeded as Chairman by his brother Mr John H Adams, currently vice-chairman. The following are extracts from the Chairman's circulated statement.

The considerable increase in business to which I referred in my last report, based upon the franchise strength of the "Kerrygold" brand name in butter and cheese has been maintained satisfactorily and we have improved substantially our share of the United Kingdom market. In addition, as part of the planned programme of diversification, we have seen the Adams name applied to new products such as territorial cheese and potato salads ready for the table.

PROFIT EXCEEDS TARGET
I am pleased to report that the profit for the year, is once again above the target which had been set. The Board confidently predicts a further increase in profit in the current financial year.

This has been the most exciting and satisfactory year in the Company's history. The unexpected fall in the price of butter reduced both our net profit and our sales turnover, yet did not prevent us from attaining our anticipated target. This fully illustrates that our trading base has been broadened, and our policy of diversification is clearly the correct and proper course for us to be taking.

The Sales Force has been further strengthened and expanded. A separate Sales Force has been initiated for a new enlarged Catering Division, which continues to make an important and growing contribution to overall profit. I am sure we shall see further growth in this most important area at a time when the British food and catering industry expect a most remarkable upsurge in its scope and development.

This year under review has seen the creation of an Industrial Dairy Products Division, to meet the needs of the food manufacturing industry, and a Fresh Foods Division. Our activities now go well beyond the confines of dairy-based foods.

ACQUISITION
During the financial year, the Board acquired Lloyds Dairies Limited, Cardiff, with important long-life milk facilities, and more recently, the biscuit and cake manufacturing business of Elkes Biscuits Limited, Uttoxeter, was purchased.

Because of our planned expansion, we are in the process of reorganising and strengthening our Senior Management in all Divisions. Notwithstanding the very rapid rate at which our expansion and development programme proceeded, the various transitions have been completed with a minimum of disturbance and in this I would like to thank all our staff for their co-operation and to take this opportunity of welcoming the Lloyds Dairies and Elkes Biscuits employees into our Group.

IN BRIEF

	1973	1972
Profit before taxation	386,644	323,614
Taxation	169,291	155,860
Profit after taxation	216,653	167,754
Preference Dividends paid	2,480	7,900
Profit attributable to Ordinary Shareholders	5,930	7,000
Ordinary Dividends	210,703	180,754
Interim - 0.75p Gross paid 60.00m payable 2.176	45,000	
Final proposed - 0.52p		
Net 43,524	105,700	50,000
Retained profit of the year	105,803	90,754
Earnings per share	2.541p	2.126p

THE REPORT AND ACCOUNTS WERE ADOPTED

Customer list

مركز من الأعمال

Your very own piece of motoring history: £3,823.



Back in 1964, before we'd even begun to think about the NSU Ro80, we built a car unlike any other before it.

Powered by a completely new kind of engine that worked with a circular movement rather than up and down, it was the world's first rotary driven car.

In action, its rotary engine proved as impressive as it had appeared on paper: almost totally free of mechanical vibration. And unusually silent, producing only a low turbine-like noise when cruising at speed.

We felt that such an entirely new approach to the internal combustion engine demanded an equally different approach to the design of the car it would drive.

Hence, we designed a car from scratch: the NSU Ro80. Which took its place in motoring history as the world's first mass production car to be powered by the twin rotor Wankel engine.

Neither is it just our opinion that the Ro80 represents an important step forward for the motor industry.

The National Motor Museum at Beaulieu recently added the Ro80's Wankel engine to its collection, alongside such notable company as the 1909

Rolls Royce Silver Ghost; the 1930 Bentley 4½ litre; the 1938 Lagonda V12. And the record breaking 1961 Bluebird.

But unlike these cars, you don't have to go out of your way to see the NSU Ro80. Any Audi NSU dealer will be only too pleased to show it to you.

After which, you may want to add this particular piece of motoring history to your collection too.

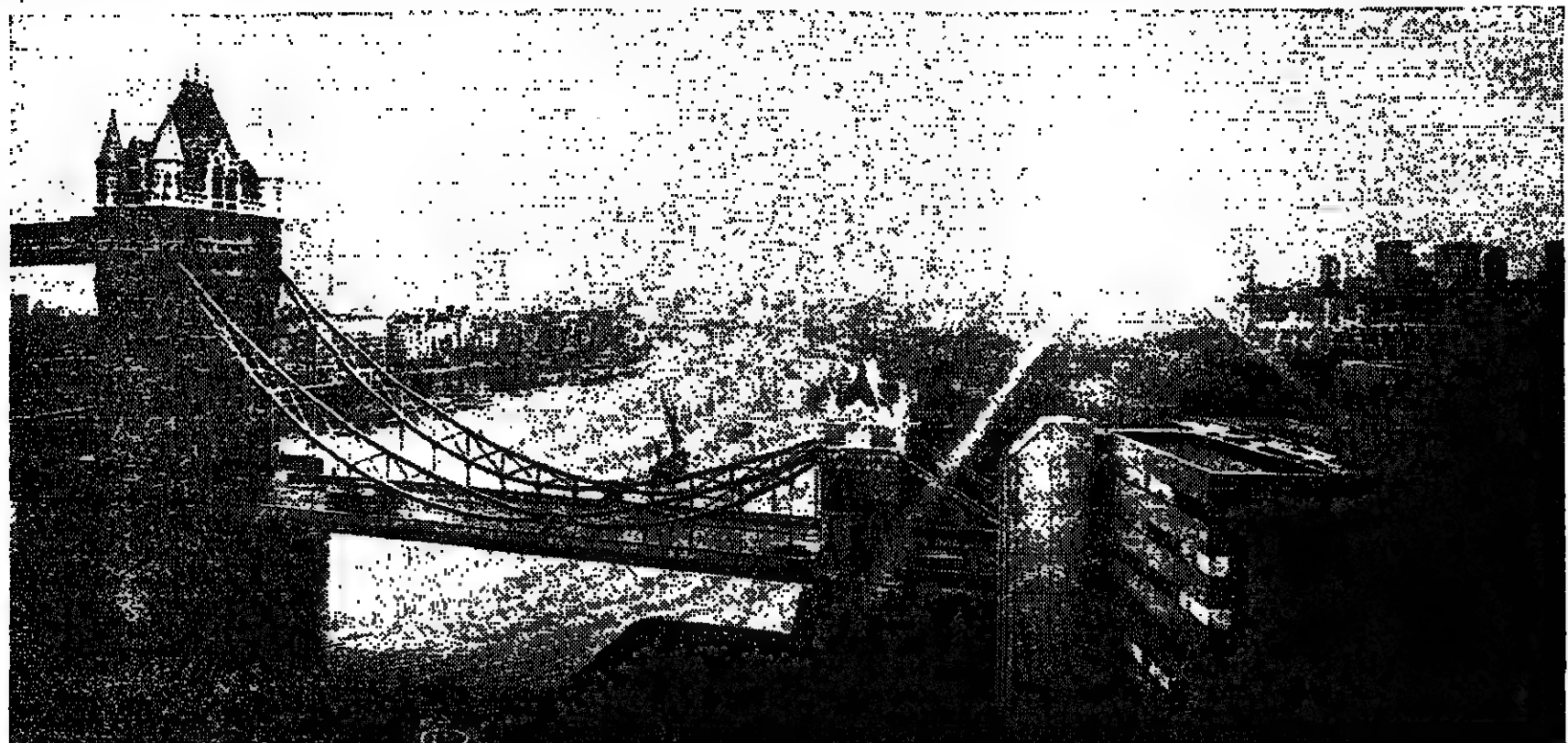
The NSU Wankel engine as fitted to the first rotary powered saloon car in the world, the NSU Ro80. Presented to the National Motor Museum, Beaulieu by Audi NSU (GB) Ltd.



AUDI NSU

If you want a better car, think about it.

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Now you too can be a guest at the Tower.

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It's situated right next to the Tower of London. Overlooking the Thames. Five minutes from Threadneedle Street. And the Stock Exchange.

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Every bedroom has its own private bathroom, colour television and air conditioning.

And the same ambience goes right through to the Restaurants,

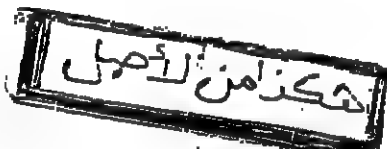
Banqueting Rooms, Conference Rooms, Bars and Penthouse Suites which have some of the finest views in London.

In the middle of all this modern luxury you'll find that one thing is still pleasantly old fashioned. The courteous and efficient service.

Like a lot of other famous people, don't you deserve to go to the Tower?

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Telephone: 01-437 9222 Telex: 27474



Videocassette industry survives serious scrutiny

BY JOHN CHITTOCK, INDUSTRIAL FILM CORRESPONDENT

CANNES, Oct. 3.

THE HOPES, aspirations and fears of a completely new industry have been on display here for the last six days at Vidca, the videocassette exhibition and conference which closed today after the most serious scrutiny the business has so far received. Whether this first test was passed by a comfortable margin or a razor's edge no one seems to be really sure—although pass it did, driven by a considerable amount of determined faith.

The facts 1,446 delegates from 620 companies in 35 countries—testify to the enormous interest generated by this new industry. Electronic giants such as Philips, Sony and Telefunken have been exhibiting here, with others, in circumstances which promise that of at least ten rival video systems only three or four are going to survive. Some are going to lose money heavily, but others hope to cash in on what could well be the next consumer boom after colour television has exhausted itself.

At this stage of the game, a proliferation of rival technologies is still vying for supremacy, even though most are not scheduled for commercial sale for many months. Only Philips, Sony, EVR and Cartrivision have already delivered significant numbers of players. Most of these are for industrial and educational use, with only EVR not based on videotape techniques.

On show at Vidca have been two of the forthcoming video disc systems which promise the duplication of television programmes as cheaply as gramophone records. The Telefunken-Decca disc, known as Ted becomes available in West Germany next January—but the Philips VLP disc system, although not due until 1975, has made a lasting impact in its demonstration here.

With the Philips VLP it becomes possible to display as a still picture any one of the 45,000 colour frames which comprise its 30-minute programme. These frames can be called up instantly by a digital index, bringing for the user a video retrieval system

which suggests applications way beyond the home entertainment field.

This year's Vidca is the third to be held in as many years, and everyone hoped it would now begin to yield the tangible evidence of first market experience. Indeed, IBM, Japan Air Lines, Ford, Pepsi-Cola, Axel Springer—to name a few—have become significant customers for videocassette units and have been telling their stories here.

But the evidence of such growth, which everyone needs in order to see the production lines rolling, is still being over-shadowed by the unresolved questions of the different systems.

Producers and distributors of programmes such as W. B. Smith and Reader's Digest are still unwilling to start pouring cassettes or discs on to a market that may turn out to support a rival system.

One producer, the American feature film studios of Universal Pictures, has seen in this industry a possible outlet for a stockpile of 11,000 titles—mostly as spin-off from first cinema release and television re-run. Through months, Sony, MCA hope and Cartrivision have already delivered significant numbers of players. Most of these are for industrial and educational use, with only EVR not based on videotape techniques.

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of 16mm projectors in the U.K. last year. It is also reckoned that U.K. sales of blank VCR cassettes for the Philips machine have already passed the equivalent length of all 16mm release printing in 1972.

Stocks to output ratio levels out

By William Keegan, Economics Correspondent

MANUFACTURING industry's stocks/output ratio in the U.K. appears to have levelled out after the sharp reduction during 1972. Following the recent news that the rise in production was lower in the second quarter than originally estimated, the Department of Trade and Industry yesterday announced that manufacturers' stocks rose by 23m, more than first calculated during the quarter.

Revised figures show that in 1970 prices, seasonally adjusted manufacturers' stocks went up by £108m, to stand at £9,530m at the end of June.

There was an increase of £75m in stocks of materials and finished goods, in work in progress. Stocks of finished goods, on the other hand, dropped by £25m following the £36m rise in the first quarter.

The stocks/output ratio, based on the new index end 1969=100 was 88.

Capital expenditure figures for the second quarter have also been revised, and the total is now estimated at £455m, (at 1970 prices), some £3m lower than the provisional estimate.

Although there was a 1.6% (or 2 per cent.) fall in investment between the two quarters, the rise between the second half of 1972 and the first half of this year still works out at 10 per cent.

Review of development control

BY JOHN DARLINGTON

THE PRESENT system of development control is to be reviewed. An appeal can last more than a year and of the 618,000 planning decisions taken in 1972, 18,000 went to appeal, he said yesterday.

Mr. Rippon, Secretary of State for the Environment, said the review will also examine the means of involving the public more fully on important issues before decisions are taken.

Mr. George Dobry, QC, who has been appointed to conduct the review, expects to complete it in about six months and to make a interim report early in the new year. He will be seeking the views of professional bodies, local authority associations, amenity groups and others concerned, and will be helped by an advisory group.

"The present development control procedures are machinery for planning appeals arise from the 1947 Town and Country Planning Act and were designed to deal with conditions prevailing a quarter of a century ago. They must now be brought up to date," Mr. Rippon said.

The terms of reference given to Mr. Dobry are:

1.—To consider whether the development control system under the Town and Country Planning Act adequately meets current needs and to advise on the lines along which it may be improved, bearing in mind the forthcoming redistribution of planning functions between local authorities and the new system of structure and local planning.

2.—To review the arrangements for appeals to the Secretary of State under the Planning Act including the rights of appeal in the handling of appeals in the Department of the Environment and to make recommendations.

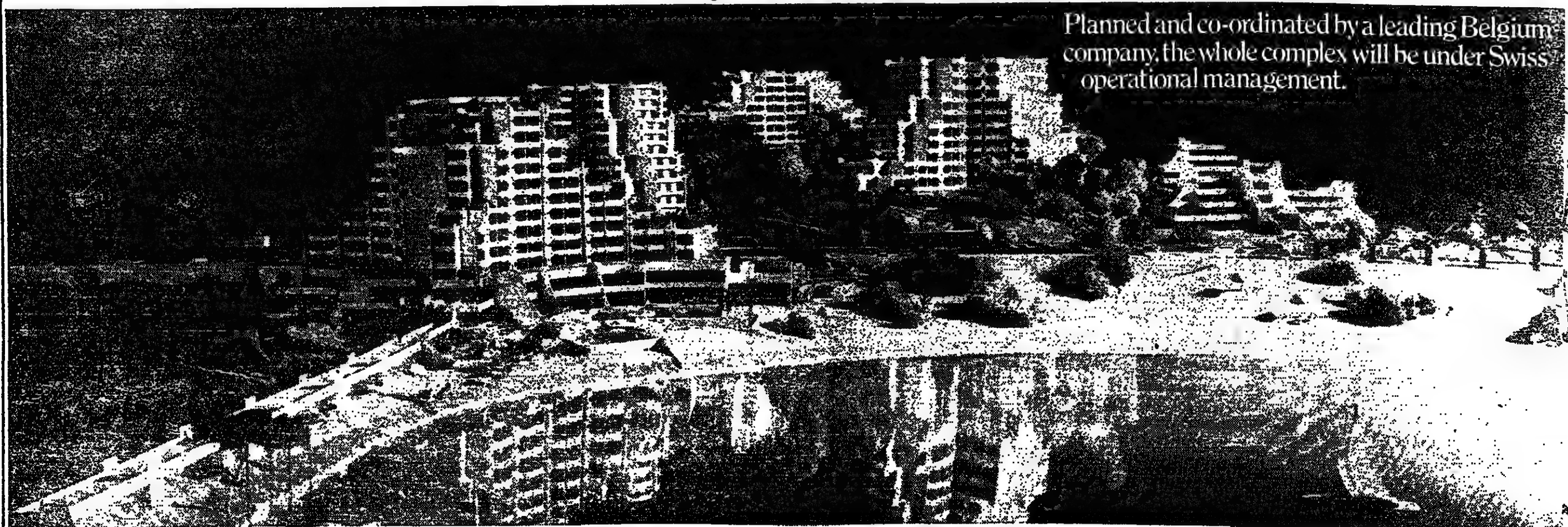
Arson squad probe into blaze at Heathrow

BY OUR AEROSPACE CORRESPONDENT

SECURITY OFFICIALS and with the Queen's Building. The damage was still causing members of the London Fire Brigade's arson squad yesterday began investigating the fire parts of the Queen's Building still without electricity, and the Heathrow Airport into darkness Tuesday night, disrupting air-traffic movements and delaying operations room out of action. Initial investigation indicated that the fire was due to a fault close to a main electrical junction box. In view of the other fires, however, it was stated that arson could not be ruled out until full inquiries had taken place.

The fire was the thirteenth at Heathrow since July. Last week a blaze on the roof of Terminal Three caused severe damage. Tuesday night's fire severely damaged cables in a service tunnel linking the Control Tower

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7% per annum (indexed at 5% from Year Two). This, incidentally, is a conservative estimate as the income could reach 12% and is expected to average 10%. What's more you receive the guaranteed interest from the moment the first instalment is paid. At the end of the ten year period you can live in the apartment, sell it for a handsome profit, or re-negotiate the lease back arrangement with the management company. The complex, which is scheduled for completion for December 1975, also

incorporates swimming pools, bars, restaurants, grills, night clubs, beauty salons and boutiques etc. Just 800 metres away is one of Europe's largest marina's, whilst a short walk in the other direction will bring you to an 18 hole golf course. In addition there are full facilities for conferences with up to 1300 delegates and this aspect will be heavily promoted internationally to ensure maximum occupancy of your apartment throughout the year.

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Merchant B

Former BOAC chairman backs anti-Maplin report

FINANCIAL TIMES REPORTER

Mr. Christopher Barry, writing in the *Journal of Engineering*, says that if Britain goes ahead with Maplin regardless of the economic facts of life, it might find itself in a few years with an expensive, built airport designed to take noisy jets which no longer exist.

It suggests there should be a carefully spaced network of major airports in the regions, and that operators should be encouraged to concentrate scheduled flights on them.

A third London Airport could be unnecessary within five years of the successful introduction of the take-off and landing aircraft, says an engineering Government decision that take-off and landing aircraft, such as the Heathrow, Gatwick, and Luton, could even be scrapped to make way for central airports to cater for future feasible traffic with greater flexibility.

Give easy access to shoppers' advice centres, says Howe

FINANCIAL TIMES REPORTER

THE PROPOSED national network of consumer advice centres should be as easily accessible to shoppers as the shops themselves, says Sir Geoffrey Howe, Minister for Trade and Consumer Affairs, in a booklet published by the Conservative Political Centre.

The advice centres, he says, should take a central position in the High Street. They should have a common name and house-style and an "image as attractive and welcoming as shops themselves."

Sir Geoffrey repeats his belief that consumers have had difficulty in the past, when trying to compare about unsatisfactory service, leading to much frustration. People did not know how to get in touch "or how to get into the system."

It is for that reason that Sir Geoffrey believes the siting and publicity of the new centres is so important.

The Minister also emphasises the links which will be established between the advice centres and the "consumers' friend," Mr. Malcolm Melville, Director General of Fair Trading Advice Centres, says Sir Geoffrey, will be Mr. Melville's "eyes and ears."

As well as advising the consumer, Sir Geoffrey says he sees the centres as "grassroots sources" of information about consumer difficulties and the seriousness of consumer complaints.

Action for the Consumer, available from Conservative Political Centre, 32 Smith Square, London SW1P 3HH, price 15p.

Tyne fish dock plan to go ahead

By Our Own Correspondent

SOUTH SHIELDS, Oct 3

THE PORT OF TYNE Authority is to go ahead with a plan to build a new fish dock in the lower harbour at North Shields. The Authority has been made the Ministry of Agriculture, Fisheries and Food for a 60 per cent. grant towards the cost.

Subject to Parliamentary approval and other assurances work will start in the summer of next year with completion in 1976. A spokesman for the PTA claimed the Tyne would have one of the finest fishing harbours on the East Coast.

The new dock would replace the ageing North Shields fish quay. It would have capacity for the future expansion of the Tyne's fishing trade.

مركز الأخبار

YACHTING

BY ALEC BEILBY

Turner's eye-opener

VALETTA, Malta, Oct. 3

FRED TURNER, the young but experienced American campaigner of the world-wide ocean racing circuit, has arrived in Malta with his Admiral's Cup yacht, *Lightning*, and has opened the eyes of some of the local Mediterranean sailors.

Turner, a flamboyant and often noisy Southerner whom British yachtsmen have affectionately nicknamed the Voice of America, is already well-known in Europe. He holds the record for the Fastnet course, set in 1971 with his converted 12-metre American Eagle and has won the 5.5 class world championship.

Having sailed *Lightning* in the Admiral's Cup this summer, Turner altered the hull details to lower the rating of the yacht, transported it overland to Sardinia and competed in the One Ton Cup last month, finishing sixth. Now, with his yacht still carrying its One Ton Cup rating, he has been showing the way round Malta prior to the climax of a seven-day regatta, the 620-mile Middle Sea Race, which starts from here on Saturday.

The Middle Sea Race, like the Fastnet and other major off-shore classics, counts for the World Offshore Racing Championship and this has attracted Turner and his compatriot Wallace Stenhouse and his 50-footer *Aura*, reserve in this year's American Admiral's Cup leg, to Malta.

The course takes the 40 or more starters from Malta around Sicily and back, via the outlying islands of Lampedusa and Pantelleria. Revolving *Lightning* for the Middle Sea overall handycap title, apart from *Aura*, is the Australian yacht *Bumble Bee*, owned by John Kahlbatter and crewed by several former members of the Australian Admiral's Cup yacht *Apollonia* and *Glenelg*.

The fastest record holder, American Eagle, now renamed *War Baby* and owned by Warren Brown of Bermuda, will be hunting the Middle Sea course record of 129 hours, set by Storm Vogel in 1968.

British entries this year include a team from the RAF aboard *Fly Past* of Cowley, which will be competing with a similar team from the Italian Navy for a new inter-services trophy.

Other British yachts, six in all, include Roger Fuller's *Red*

No panic

Anyone who thinks of the Mediterranean as an idyllic calm mass of turquoise blue is wrong. Last year, half the fleet in the race retired when 50-knot winds lashed them in the early stages, and this year storm-force winds have held many would-be Middle Sea series competitors in their north Mediterranean ports, though they are expected to reach here by Saturday now that the wind has moderated.

A threat of late arrivals for a prime event anywhere else in the world would throw the race committee into panic, but the calm ashore at the Royal Malta YC is in contrast to the breaking seas off Valletta. Chota Peg is still served at 11 a.m. and Tiffin at 4 p.m. and, anyway, everyone expected the Italians to be late.

LONDON AND MANCHESTER LIFTS VICKERS STAKE

London and Manchester Assurance has increased its stake in the Preferred and Preference stock of Vickers. It now owns 319,500 of 5 per cent. Preferred—18 per cent of the total—and 217,500 of 5 per cent. Preference—14.7 per cent.

In May, London and Manchester announced that its holdings were 14.7 per cent. and 14 per cent. respectively of the Preferred and Preference.

NO PROBE

The proposed merger between E. Merck and BHI Chemicals is not to be referred to the Monopolies Commission.

Receiver starts Ryton salvage operation at Wallsend shipyard

OWN CORRESPONDENT

MACEY, who has been Receiver of the Ryton group of companies, has started a salvage operation at Wallsend shipyard. The Ryton group suspended all operations last week and laid off 1,500 workers because of cash problems.

Mr. Macey, a partner in Whimster Murray, the international accountants, is in charge of the firm's insolvency department.

He said he had two immediate aims—to raise cash to pay wages owed to employees and to get work going again on a long-term basis.

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Government urged to define role of polytechnics

The role of the polytechnics is a subject which has been the subject of much more rapidly than the universities, so that by 1981 the 75,000 places will be shared equally between the two sectors.

What is concerning the polytechnics is the Government's proposals for the non-university sector contained in a follow-up circular issued last March. In the circular, Mr. Margaret Thatcher, Education Secretary, asked local education authorities to start planning the reorganisation of their higher education institutions.

This was to take account not only of the provision of 1,000 additional places, but also of the reorganisation of colleges of education.

Some might need to close, others merge and some could be incorporated in polytechnics.

The circular envisaged every major town or area with a population of more than 250,000 having an institution offering higher education courses.

The exact role of the polytechnics, its leadership or identity is part of the behind-the-scenes concern of polytechnics.

They also pleaded yesterday for greater recognition at local level of their national role, equal or near equal treatment with universities in terms of resources, a better salary structure for staff and greater power to nominate their own awards.

At present, the committee says, polytechnics are subject to a bewildering array of conflicting bodies. The committee envisages some polytechnics establishing an Academy of Advanced Technical Education responsible for approving procedures for validation within a polytechnic.

The committee is to discuss with the Department of Education and Science's science and technology committee the proposal for "National Academic Awards" polytechnics claim for greater responsibility for the validation of awards.

Growth of social science budget 'must continue'

BY DAVID FISHLOCK, SCIENCE EDITOR

A PLEA for the rate of growth of the Social Science Research Council budget to remain significantly greater than that of the science vote "for quite a long time to come" is made in the council's annual report, published yesterday.

The report points out that the council's research expenditure was only about 2 per cent. of all the research sponsored by the five research councils. If after taking account of science's greater expenditure on equipment, the proportion was calculated on manpower alone, the social sciences' share was still only 5 per cent.

Total expenditure on the council from the Department of Education and Science's science vote amounted to just under £5m. in 1972-73, an increase of 15.4 per cent. on 1971-72, in real terms. The Science Research Council last year received over £64m. from this source.

The Social Science Research Council admits that a growth rate in research expenditure of 7.5 per cent. a year is the target.

In relation to the 3 per cent. growth of the science vote, but its report points out that at those rates it would take about 18 years for the share of the social sciences to rise, from 2 to 4 per cent. of the total— "scarcely an over-ambitious programme."

Economics was the sector that drew the largest research support (24 per cent.) from the council last year. It was followed by psychology (14 per cent.), sociology and social administration (13 per cent.) and management and industrial relations (12 per cent.).

Nine grants for research on urban systems have been made by the council, both for mathematical modelling of urban systems and study of the planning process. The report acknowledges the arrival of deductive theory and model-building in urban research, as viable and complementary successors to the tradition of empiricism and quantification.

Report of the Social Science Research Council, 1972-73, SO.

Southampton second port in terms of trade

THE PORT OF Southampton handled trade worth £581.7m and for the first time—became the U.K.'s second sea port in terms of trade during the second quarter of this year, says the British Transport Docks Board.

Customs figures for the period show that Southampton dealt with 8.5 per cent. of Britain's total trade, second only to London's 18.3 per cent., ousting Liverpool from its traditional position.

In terms of tonnage the Docks Board has announced record dry cargo figures for the port so far this year. For the first eight months of 1973 dry cargo imports through Southampton were 50 per cent. higher than in the same period last year, at 1,031m tonnes, an increase of 373,772 tonnes, giving a total of dry cargo trade of 2,360m tonnes.

The number of passengers using the port during this period increased by 96,224 to 1,535m.

DISTILLERS BUYS

Following an approach by Distillers Company (Carbon Dioxide) it will purchase the bar and cellar beer distilling business of Hudson and Dodsworth and Associates for £210,000 cash.

Inter-City is for you



Good night

2 missile in running £400m. U.S. order

AL DONNE, AEROSPACE CORRESPONDENT

The U.S. Department of Defense has ordered a \$400m. contract for two anti-aircraft missiles, which is being available from a number of U.S. firms.

The contract will be for the purchase of two missiles to be used by the U.S. Navy. The missiles will be used to defend U.S. ships from air attack.

The contract will be awarded to the firm that can provide the missiles at the lowest cost.

Night courts 'not worthwhile'

EVENING AND night sittings of magistrates' courts would create more disadvantages than advantages, says an editorial in the current issue of *The Magistrate*, journal of the Magistrates' Association.

The comment was prompted by a recent observation by a recorder, Mr. G. H. Crispin, Q.C., that he would like to see an occasional evening sitting because "daytime sittings are not always convenient for everybody."

The journal points out the difficulty of court staff recruitment, and says those prepared to sit would be likely to be tired, and less competent to administer justice.

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London Paddington-West of England
Bristol/Birmingham-Glasgow/Edinburgh
Nottingham/Derby/Sheffield-Glasgow

Chataway sees computer made deficit this year

CHRISTOPHER LORENZ



Mr. Christopher Chataway

THE deficit of a substantial amount in exports Britain's computers seems likely to be an overall deficit this year, according to Mr. Christopher Chataway, Minister for Development.

Mr. Chataway said that the figures for the first nine months of 1973 show that computer exports rose 1.1 per cent, from £11m. in the corresponding period last year, but were much higher than the corresponding 1972 period.

The Minister stated that the Government's forecast is that the deficit in the computer industry will be £10m. as much as £10m. in some cases.

Mr. Chataway said that the Government's forecast is that the deficit in the computer industry will be £10m. as much as £10m. in some cases.

British Airways to improve service for BEA passengers

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH AIRWAYS' European best well treated, and at worst Division (formerly BEA), which that we have tried, so that he now carries more than 10m. passengers a year, is starting a campaign to improve the quality of service it gives its customers.

A study by the airline has produced a list of about 40 ways in which passenger-service could be improved. Many of these are individually small, but would add up to a big improvement in standards if implemented.

They range from having a separate telephone number for inquiries, as opposed to reservations, and separate check-in facilities for first-class travellers, to more generous cabin service with more newspapers, hot towels, and improved bar facilities.

Successes

The aim is now to spend more on passenger handling and customer service, treating this as much apart of direct sales promotion as advertising.

The airline points to the successes of its Manchester-based One-Eleven Division as evidence that a policy of improved customer-service does work. Mr. Watts, head of that Division before taking over as chief executive of the European Division.

Delays

Another suggestion is more generous treatment of passengers when delays occur, through the provision of meals and where necessary, accommodation. It is recognised that the airline's service has been deficient in this area in the past, especially when the delays have been due to weather, rather than technical problems.

Mr. Roy Watts, chief executive, plans progressively to bring in many of these new ideas as possible, starting immediately from Manchester this summer.

The aim will be to get the passenger to leave us feeling at least as well as when he arrived.

Regional Airports scheme 'wide the mark'—Eldon Griffiths

BY AEROSPACE CORRESPONDENT

GETTING by the Association of British Chambers of Commerce, the Maplin Airports scheme should be dropped in favour of developing regional airports, according to a report published yesterday by Mr. Eldon Griffiths, Secretary of State for Transport.

Mr. Griffiths said that the ABC's report "shows signs of a very imperfect understanding of the complex subject of airport planning."

"They seem to assume that the increase in aircraft size is a new factor which was not taken into account in the calculations on which the need for Maplin has been based."

"The recent Civil Aviation Authority report assumed that the number of passengers per aircraft in 1985 would be more than double what it is today, and concluded that there would be a need for two runways at Maplin by 1985. If we are to achieve that, there is certainly no breathing space as the ABC suggests."

Mr. Griffiths also refuted the ABC's figures on cost. This would not be £1,000m. over eight years, he said. "The Civil Aviation Council figure that we have given is £250m. up to 1990, which covers the Maplin airport as well as the airport, its road-rail access links and other ancillary developments."

"If the ABC's exaggerated figure was correct, it would come nowhere near the cost of the ambitious programme they suggest as an alternative to Maplin—international airports at Manchester and Glasgow, and major regional airports in other regions. One of these would involve land reclamation in the Severn Estuary on much the same scale as is allowed for in our estimate for Maplin," he said.

"The Government is committed to re-examining all factors affecting the need for the Maplin project, as a basis for a report to Parliament before the reclamation of land at Maplin goes ahead."

"We are, of course, glad to consider any sensible ideas that may be put forward, and we shall certainly study the ABC report carefully."

Former BOAC chairman backs anti-Maplin report, Page 15

Wimpey company for overseas activities

BY JOHN DARLINGTON

CONTRACTORS George Wimpey and Co. yesterday announced the formation of a new company, Wimpey International, to co-ordinate the group's many overseas activities.

The new company will be a subsidiary of Wimpey and Co. and will be headed by Mr. Richard Gase, chairman of Wimpey International.

Mr. Gase said that the new company would be responsible for the group's overseas activities, including the construction of the new airport at Maplin.

Merger talks which summon up a ghost

BY GEOFFREY OWEN

THE GHOST of the Industrial Reorganisation Corporation (IRC) walked again yesterday with the announcement of merger talks involving Clarke Chapman-John Thompson, and the U.K. operations of International Combustion.

This was the ambitious, three-way merger which the IRC tried to promote in 1968. Talks broke down at the last moment because Clarke Chapman refused to expose itself to the losses arising from International Combustion's Dungeness "B" nuclear power station contract.

The IRC's objective was partly to create a strong heavy engineering group which would be more effective in world markets partly to facilitate the reorganisation of the nuclear industry then in progress: the merged company was to have formed the nucleus of one of the two nuclear consortia, while GEC effectively controlled the other.

Now the nuclear argument no longer applies, since the two competing consortia have given way to the GEC-dominated National Nuclear Corporation.

The merged company may well be in a stronger position to make the necessary investments in developing hardware for nuclear power stations—the boiler-makers have a much more crucial role here than in continental stations—but in terms of direct participation the best they can hope for is a slice of the 35 per cent of the Corporation's equity that is to be allotted to industrial companies.

Yet the industrial arguments used in the 1968 offer document are still very much apply. They are the same general arguments—rationalisation of manufacture and technical resources to tackle overseas contracts, more efficient use of scarce engineering design talent—that were used to justify the merger between Clarke Chapman and International Combustion in 1970 (also backed by the IRC).

There were serious weaknesses in John Thompson which had to be tackled, but a good deal of rationalisation has taken place. Boilers for the U.K. electricity supply authorities, for example, are now concentrated at Clarke Chapman's Gateshead works, while John Thompson's Wolverhampton works deals mainly with boilers of smaller size and for overseas customers.

The motor pressings business at Wolverhampton was sold off to Rockwell International at the end of last year.

Mr. Bill Hanlon, managing director of Clarke Chapman-John Thompson, feels that his group is now in good shape to take on a third partner, especially as International Combustion is in much better fettle than it was in 1968. The losses on Dungeness "B" have been disposed of, and the injection of finance, management and technical expertise from Combustion Engineering of the U.S. (which holds 30 per cent of IC's equity) has led to a big improvement in its performance.

Orders

He sees some scope for further rationalisation affecting IC's main works at Derby, but has no doubt that the new group will obtain enough orders at home and overseas to keep all three factories fully employed.

Will the merger be referred to the Monopolies Commission? It would reduce the number of power station boiler manufacturers from three to two (Babcock and Wilcox is the other), and in this sense has some resemblance to the abortive Whessoe-Capper Neill merger.

These two companies, together with Motherwell Bridge, dominate the U.K. storage tank market, and it was the likely diminution of competition which presumably led the DTI to refer the proposal to the commission. It was then dropped.

Attempts

Other recent attempts to rationalise the process plant industry—the Whessoe bid for Capper Neill and, on the contracting side, the attempted merger between Simon Engineering and Davy International—have been unsuccessful, but have people in the trade and among its customers believe that rationalisation is still needed.

If the latest deal goes through the Clarke Chapman management will have the opportunity of developing what will be one of the largest European groups in its field.

sown Hattersley education in, Tory MP tells Wilson

HARD EVANS, LOBBY CORRESPONDENT

OLD WILSON was that Front Bench spokesman, last night to state his early on "the wild and education plans out of Mr. Roy Hattersley, his

ope buys Minis made Italy and Spain

BY SENIOR

OKES, chairman of Leyland, yesterday plans for further of the company's operations.

British Leyland has also introduced a new breakdown service for tourists of all nationalities on holiday in Europe.

All the national sales companies will instal "hot lines" for tourists to call if their cars develop trouble. English-speaking operators will give information about the nearest dealer and assist in the event of language difficulties. The service will also be offered in the other main European languages.

The "hot line" will be operational in France within a few weeks and it will be extended throughout Europe as rapidly as possible.

The company is well aware that in the past service has not been a strong point, among British manufacturers, in future it intends to remedy this with better training, a microfilm parts catalogue and mobile schools for mechanics as well as the hot line service.

dney £40,000 for painting

WENTWORTH Hotel, In a sale of Victorian and Australia, Christie's have early 19th century silver and famous painting by Sir Christy's, London, yesterday a portrait of a woman, painted in 1838, was made by J. Cradock and W. Reid in 1830-31, was sold for £2,500 to Glass. A pair of two-light candelabra of similar design and by the same makers went to Asprey for £2,400.

The sale totalled £32,792. For a Victorian silver-gilt dessert service by J. and F. Fenton a private collector paid £2,000. How, of Edinburgh, paid £1,900 for a pair of George III silver-gilt two-handle sugar vases by Benjamin and James Smith dated 1810. A large Queens pattern table service went for £1,700 to Bloomstein.

At Sotheby's a sale of fine wines realised £40,073. A dozen bottles of Chateau Lafite 1875 belonged to Dame du Cellar of the Duke of Wellington at Aspley House total realised was £47,508.

7.5

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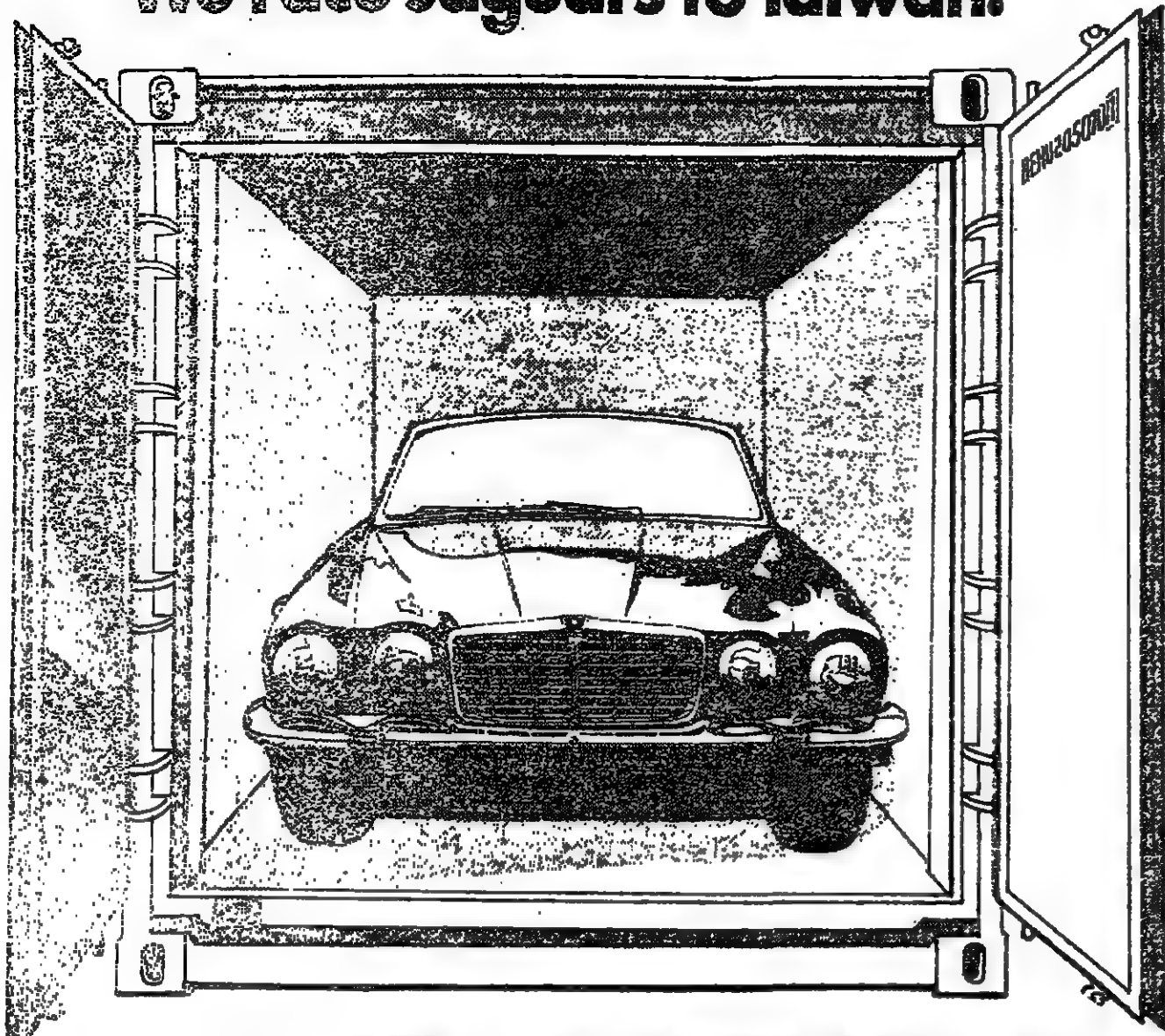
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China clay, or bulldozers—Japan is only 23 days away.
Port Kelang, 19 days. Singapore, 20 days.
Hong Kong, 23 days. Taiwan, 26 days.
On average our containers leave Southampton every four days.
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We can collect from the factory—deliver to the warehouse. The service is door-to-door.
Our documentation is computerised, not computer controlled. We've no intention of replacing our personal service with machinery.

Any shipping problems and we have offices and agents throughout Europe and the Far East to answer them.
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To sum up, look at the BLC service as a system. Whatever the shipment, it's in one end and out the other. With all the care in the world in between. This might all strike you as being a surprisingly straightforward solution to what is considered to be a highly complicated operation.
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Record Profits



SIR DOUGLAS CLAGUE, C.B.E., M.C., Q.P.M., T.D., J.P.
Chairman HUTCHISON INTERNATIONAL LIMITED.

PROFITS are again at an all-time high being HK \$136,362,000 after tax. During the past five years shareholders funds have increased nearly fivefold. Income has increased by more than nine times and net earnings by eight times.

DIVIDENDS Compared with last year, total distribution to Ordinary shareholders will show an improvement of 83%. The final dividend is 20 cents per share making with the Interims a total of 34 cents per share for the year. The first interim for the year ending March 1974 of 8 cents per share on the currently issued Ordinary shares will be paid simultaneously with the final dividend.

SCRIP AND RIGHTS ISSUES

A Scrip issue of one new Ordinary share for each five Ordinary shares held and five new Ordinary shares for every one Preference share held is proposed; simultaneously it is the intention to make a 'Rights' issue of one new Ordinary share at HK \$5.20 for every five Ordinary shares held and five new Ordinary shares for every one Preference share held. The proceeds totalling HK \$169 million will be used for new acquisitions as suitable opportunities arise.

HIGHLIGHTS FROM THE FULL REPORT

Number of vehicles using Cross-Harbour Tunnel has continued to increase. Our substantial equity holding of 29.5% in this enterprise will be a significant contributor to future profits.

* The year has seen a further rationalisation of the Dock Group with profits increasing by 31%.

* Our major Pearl City Department Store opened in June. The 922 roomed Sheraton-Hong Kong Hotel in which we hold a controlling interest will be officially opened in January 1974 ahead of schedule. Hutchison House, our 24 storey office and shopping block, is progressing on schedule and will prove a most profitable venture.

* The UK Group which includes First Finsbury Trust and Highgate Optical achieved further progress with continuing good prospects.

* Expansion of our interests in Australia has been maintained but we have been inhibited to some extent by the attitude of the Australian Government towards foreign investment.

THE FUTURE

In my view, the economy of Hong Kong is in good shape and we have every intention of participating to the full in the Colony's general economic well-being during the coming year.

Our connections with sound companies have been expanded and will help to provide increased profits in the future. The Directors anticipate that the second interim and final dividend on the total capital as increased by scrip and rights issues for the year ending 31st March 1974 will not be less than the corresponding dividends in the previous year.

APPOINTMENTS

Barker & Dobson reorganisation

BARKER & DOBSON has made the following changes within the group: Mr. W. Murray Milne, formerly group managing director of J. Bibby and Sons, becomes managing director in charge of the Budgets and Oakeshott operations and joins the Board as an executive director; Dr. James M. McInnes, previously assistant financial controller of the Cameron Ironworks, Houston, becomes the company's financial director.

Mr. Colin Ganderton, formerly a director of Trust Houses Forte and head of group marketing, becomes group marketing executive director; Mr. Harold D. Smith is managing director of property interests, and joins the Board as an executive director; and Mr. Christopher Tatham, formerly joint managing director of IEC Wine Society, becomes managing director of Roger Crayson, which is part of the group.

Mr. Peter E. Lambert returns to the management of the confectionery division while continuing as an executive director of the main Board; Professor Geoffrey Clarkson becomes a non-executive director. In the reorganisation, and because of heavy commitments, Professor Robert Smith has retired. Mr. Graham Hutton, Lydian Simon and Mr. John McClean will continue as non-executive directors, and Mr. William McPhail remains chairman.

Mr. P. A. Lavington has been appointed a director of PURNELL AND SONS. He has been works manager of Purnell Gravure since 1971.

Mr. A. L. Thomas has resigned from the Board of THERIDY MINERALS. Mr. F. Warren, formerly of Peat, Marwick Mitchell and Co., has been appointed in his place.

Mr. R. Ball has been appointed sales director of WALSALL CONDUTTS. He was previously sales director of GEC-Kelair.

Mr. Robert W. Melvin, former general manager of the BRISTOL WATERWORKS COMPANY and director since 1968, has been appointed deputy chairman.

Assistant Chief Officer Donald Surrall, of the LONDON FIRE BRIGADE, has been promoted to Deputy Chief Officer, becoming second in command to the Chief Officer.

Mr. R. D. N. Day, general manager, has been appointed a director of the PLANET BUILDING SOCIETY.

Mr. John Turner has been appointed director and general manager of ROSSLEIGH.

Mr. Julian Gibbs will become a local director of the Leeds District of BARCLAYS BANK on October 13.

Dr. T. M. Mossion has been appointed a deputy director in the personnel division of WILLIAMS AND GILBY'S BANK.

Mr. L. R. Lindsey has been appointed sales director of M. AND T. CRICKSHANKS.

Cmdr. W. E. Goodfellow has been appointed executive director of RESUSCITATORS MARINE (SURVEY SERVICES).

Mr. J. C. Upward has been appointed director of HOWSON DEVITT (LIFE AND PENSION BROKERS), part of the Devitt Langton and Dawney Day Group.

Mr. John Bowden, deputy chairman of IPC MAGAZINES, will retire from the company and from the Board at the end of November.

Mr. A. G. Scott, general manager of BSA GUNS, part of the Manganese Bronze Group, has been appointed managing director.

Mr. E. J. Heeneasy has been appointed a director and general manager of KEITH PROWSE TRAVEL.

Mr. J. M. Birch has been elected deputy chairman of LANCASHIRE UNITED TRANSPORT.

Mr. Geoffrey Walker has been appointed a director of PD WHARFAGE AND TRANSPORT, part of the Powell Duffryn Group. He will have special responsibilities for the future development of the wharfage activities of the company.

Mr. D. D. de Curié has been appointed to the Board of WEST DOCK GROUP.

Mr. Lawrie Williamson has been appointed controller, technical services of BAKELITE XYLONITE in succession to Mr. Stanley Booth, who has retired for health reasons. Mr. Williamson also becomes a member of the managing director's committee of BXL and has responsibility for the company's R and D Department at Lawford Place in Essex, related new business activities, and Patents and Licensing Department.

Following the recent acquisition by HILLS INDUSTRIES of Spraycan Sprayers, Mr. I. C. M. Minchin has been appointed an associate director and general manager of the group. He will be responsible to Mr. Ralph Aston, managing director, for all Hills and Spraycan U.K. activities.

Mr. J. E. H. French has been appointed an associate director of Hills and, besides being responsible for all Spraycan production and administration in Birmingham, also takes responsibility for group export sales. Mr. C. M. Kayless, also appointed an associate director of Hills, is the group's director of marketing and new national sales manager. Mr. C. E. R. Chapman, another new appointment is that of Mr. R. J. Powell, U.K. group accountant, as an associate director of Hills.

Tollit and Harvey has acquired E. J. Mellett and Co. Mr. M. F. Tollit, Mr. C. Cooper and Mr. W. P. Gilmour have joined the Board of E. J. MELLETT AND CO.

Mr. Graeme Odgers has been appointed chief executive of a new division within C. T. BOWRING (INSURANCE) HOLDINGS. This division embraces T. Bowring and Laybourn, Bowring Shipton, Shipton Insurance Services and Keith Shipton and Potter. It forms part of the Bowring Group's overall insurance broking activities under Mr. John Shipton, a director of the parent company, C. T. Bowring and Co.

Mr. W. Tudor-Price has been appointed reinsurance underwriter in the non-marine department of the ENGLISH AND AMERICAN INSURANCE COMPANY.

Following the acquisition of A. I. Welders by E.C. (Holdings) Mr. G. W. Pimman has been appointed managing director of A.I. WELDERS with Mr. P. Hunter Gordon, who remains chairman of the company. Mr. A. K. Pannell, Mr. D. F. J. Paterson, Mr. A. Burnett-Smart and Mr. H. Hunter Gordon have also joined the Board. Mr. D. W. Brooke, the Right Hon. Hugh Fraser, M.P. and Sir John Toothill remain as directors of the company. Mr. J. M. Standa and Mr. W. H. Millwood have resigned. Mr. Pannell, Mr. Paterson and Mr. Pimman are directors of E.C. (Holdings).

Mr. C. D. Marrow has been appointed group managing director of CANNING TOWN GLASS WORKS GROUP.

Mr. L. J. Messenger has been made sales director and deputy chief executive.

Mr. Ian Kimberley, manager of the two processes division of WEST'S (CHANCE) LTD, part of the WGI group, has been appointed to the Board of the company.

Mr. George Magnus has been appointed assistant managing director of RANK LEISURE SERVICES.

Mr. Robert J. Blackburn, corporate consultant of Sydney, has been appointed a director of LOLOMA MINING CORPORATION.

Mr. A. J. Harrison has been appointed director of manufacturing services at MARCONI ELLIOTT AVIONIC SYSTEMS, a GEC-Marconi Electronics company.

Mr. J. W. Simpson has retired as a director of BEACROFT CONCRETE PARTITIONS, a company in the Phoenix Timber Group. Mr. E. J. Locke, who joined the company when Beacroft took over Brezcrete Slab and Block Company earlier this year, has been appointed to succeed Mr. Simpson.

Mr. D. D. de Curié has been appointed to the Board of WEST DOCK GROUP.



Covering up the problem won't make it go away

Probably, like most people, the first sight of grey hair prompted you to think of ways of covering it up. Like wearing your hat at dinner parties.

A much more effective and less embarrassing method of darkening grey hair is Morgan's Hair Darkening Cream and Morgan's Hair Colour Restorer.

They're not dyes. Instead, they act naturally, reacting to warmth and light, gradually darkening grey hair and returning its natural, youthful look.

MORGAN'S

Non-greasy Hair Darkening Cream
& Hair Colour Restorer
Coleswood Road Industrial Estate,
Swalecliffe, Whitstable, Kent.

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Orders, together with your remittance, should be addressed to:

The Banker Research Unit, Bracken House,
10, Cannon Street, London, EC4P 4BY.

MOET-HENNESSY

The Annual General Meeting of shareholders was held in Paris on September 18, 1973 under the chairmanship of Mr. Kilian Hennessy, and approved the report and accounts for the financial year ending on June 30, 1973.

It was agreed to pay a dividend of Frs. 8.00 per share, to which was added Frs. 4.00 on account of the tax credit, an increase of 21%, as compared to the previous financial year. Payment will be made as from September 26, 1973 against coupon no. 13.

The meeting also renewed the period of office for Messrs. Gerald de Geoffroy de Chabrignac and Alain de Pracomtal as directors for six years.

This advertisement is not an offer of the securities for sale, or an offer to buy, or a solicitation of an offer to buy any such securities, or a proportion of the issue having been made available in the market. This advertisement contains particulars given in compliance with the requirements of the Council of The Stock Exchange.



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The Council of The Stock Exchange, London, has admitted the 25,000 Bonds to the Official List. The listing of the Bonds on The Stock Exchange will be expressed in U.S. Dollars and as a percentage of the nominal amount thereof (excluding accrued interest) and transactions will normally be effected for settlement in dollars for delivery on the seventh day after the date of the transaction. Dealings from Thursday 4th October, 1973 up to and including Wednesday 10th October, 1973 will be for deferred settlement on Thursday 18th October, 1973.

Further information can be obtained from:

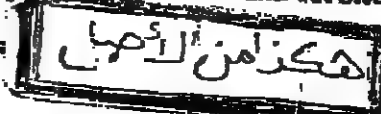
R. Nivison & Co.

25, Austin Friars,

LONDON EC2N 2JB

and The Stock Exchange, London.

4th October, 1973



Hutchison International

Copies of the Report and Accounts, for the year ended 31st March 1973, may be obtained from:
Hutchison International Limited, 38 Savile Row, London, W1X 1AG.

Union leaders seek talks 1 motor-cycle closure

HNWYLES, LABOUR STAFF

A P the Engineering
spect Workers unions
an urgent meeting
management of Norton
Triumph whose
closure of its motor-
cycle plant at Meriden, near
Oxford, has led to a work-in
situation both unions
trine support for the
un

ion

Jones, general secre-
tary of the Transport and
General Workers' Union, said
the work-in was an
able reaction to the
fact that Mr. Hugh Scan-
lon, of the Amalgama-
tion of Engineering
said he was certain

his union's executive would give
its members official support once
the action was endorsed by the
AUEW district committee.
Both Mr. Jones and Mr. Bob
Wright, AUEW executive mem-
ber, met a deputation from the
Meriden factory which travelled
here today. Mr. Jones said
afterwards that high-level dis-
cussions with the company must
be organised urgently "to see if
the company's plans could be
changed and the jobs saved."

Meanwhile the Triumph
workers say they will con-
tinue the work-in as long as the
supply of motor-cycle com-
ponents lasts.
Their action was sparked off
on Monday by news that 1,200
men would lose their jobs at
the end of the year. The rest
would be made redundant at the
end of January.

The company announced last
month that all work would be
transferred to its Birmingham
factory and that many Meriden
workers would be found jobs
there.

Gates locked

The Triumph motor-cycle
workers locked the gates of the
factory yesterday after they
were given news of the
redundancies.

Mr. John McLoughlin, AUEW
convenor at Meriden, said:
"There has been no consultation
whatsoever and this has angered
our members."

They would continue to work
as normal, he said, adding: "We
are determined. Our argument
is that there is no need for the
plant to close at all."

Action at Ferranti by ASTMS

By Our Labour Reporter

ABOUT 200 technician members
of the Association of Scientific,
Technical and Managerial Staffs
have agreed to ban overtime and
to back selective industrial
action at Ferranti factories in the
Manchester area.

This follows a dispute between
the company and ASTMS over
the date of implementation of
£1 plus 4 per cent pay rises.

The company has offered the
rises from October 1, but the
union claims the money could be
paid without offending Govern-
ment policy from April 1.

The ban on overtime starts
immediately and is to be
followed by a series of selective
strikes from next Monday.

Work on the testing, commis-
sioning, and refurbishing of
sophisticated electronic equip-
ment for the Royal Navy could
be affected.

NGA plans new 12% wage claim

MR. JOHN Bonfield, general
secretary of the National
Graphical Association, says in
his union journal that notice will
be given to the British Federa-
tion of Master Printers and the
Newspaper Society to terminate
the NGA agreements with them
next April. He indicated that the
union will claim a pay rise of
more than 12 per cent and will
adhere to its policy of resisting
legislative interference in the
collective bargaining process, he
says.

The NGA might follow the
example of the Automobile
Workers' Union of America by
regarding the current wages
agreement as a "contract" at
the expiry of which production
ceases unless acceptable terms
for a new agreement have been
arrived at beforehand. Mr.
Bonfield adds.

Welders' dispute causes more lay-offs at Swan Hunter

OWN CORRESPONDENT

V HUNTER welders
at Tyne took a grave
decision today when
they announced that
they would go on
strike.

More than 200
welders in the com-
pulsory yard will
be laid off by
Friday.

Swan Hunter spokesmen
warned today that further sub-
stantial lay-offs were likely next
week if the dispute continued.
They said the welders ending
their feud over bonus payments
and negotiating rights with the
other boilermaking trades in the
consortium and the Boilermakers'
Amalgamation now rest on a
mass meeting of the men to be
held at Wallsend on Monday.

This has been called by the
district committee of the union
as a "last chance" to patch up
differences with the welders and
to put their grievances back into
the proper negotiating pro-
cedure.

The 12 welders' shop stewards
leading the strike—who have had
their credentials withdrawn by
the district committee because of
this—made a conciliatory move
today. They said they would
advise the welders to go to the
meeting provided there were no
shop stewards present from the
other boilermaking trades.

This gives some hope that the
union officials and the strikers
might find some peace formula
on Monday to end the stoppage
which by then will have lasted
five weeks.

SOUTH SHIELDS, Oct. 3

MR. JOHN Bonfield, general
secretary of the National
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his union journal that notice will
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union officials and the strikers
might find some peace formula
on Monday to end the stoppage
which by then will have lasted
five weeks.

Strike at Burton plant Allied Breweries

OWN CORRESPONDENT

10 men, most of the
force at Allied
Burton-on-Trent
today when
they went on
strike.

They are working
on the plant, and Mr.
on Burton district
the Transport and
General Workers' Union, said
breweries are very
suffer as a result of these actions,
present time, and it
will keep all affected
that this will have
supplies. A com-
man stressed that
the desperate short-
age at present.

The strike which started on
Tuesday among 500 men is
caused by fears of workers over
Allied Breweries' proposed
reduction of the production
of various types of beer, includ-
ing pilsener, for a multi-million
pound expansion in Birmingham.
A company official said: "We
very much regret any incon-
venience which customers might
suffer as a result of these actions,
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Hospital workers state case for higher pay

BY OUR LABOUR CORRESPONDENT

EARNINGS of Britain's 220,000
hospital ancillary workers are
falling behind, the national
average to such an extent that
the disparity may reach £9 a
week by the end of the year.

This is one of the major planks
in a 5,000-word submission to the
Pay Board by four hospital
unions for the Board's report on
pay relativities, due by December
31.

The submission, sent in by the
National Union of Public Health
Service Employees, the Transport
and General Workers' Union, the
General and Municipal Workers
sequently "slide into decline."

They argue that a substantial
improvement in basic wage rates
is needed to lift ancillary workers
out of their "low pay position."
If this is not done, say the
unions, the victim will be the
National Union of Public Health
Service Employees, the Transport
and General Workers' Union, the
General and Municipal Workers
sequently "slide into decline."

Ronald Lyon Holdings Ltd.

3.3 million square feet of factory
and warehouse space built for industry
last year on Lyon Estates

Summary of Results.

	30.4.73	30.4.72	30.4.71	30.4.70	30.4.69
Turnover	£34,215,647	£22,540,151	£21,580,592	£22,349,430	£11,483,075
Group Net Trading Profit	£2,449,521	£1,152,170	£756,880	£855,016	£464,110
Group Net Profit after Taxation	£1,480,969	£713,089	£402,630	£308,609	£267,362

Extracts from the statement by the Chairman, Ronald Lyon,
circulated with the report and accounts for the year ending
30th April, 1973.

The financial year ending 30th April
1973 was one of considerable achievement for
the Lyon Group.

We are now holding the majority of our
developments as long-term investments with
only a small proportion of our annual
development programme being sold off.

The value of our existing investment
portfolio, plus the value when completed of
those current projects which we intend to retain
as investments, will amount to a total of some
£140m. The greater part of this development
programme will be completed within two years.

In addition to the above, the Group holds
sites and land stocks which, when developed
and built, will represent an industrial and
commercial development programme with an
estimated investment value in excess of £100m.

Ronald Lyon Construction Limited, our
subsidiary company engaged in building and
civil engineering has had a very successful
year with both turnover and profit at record levels.

Atcos Limited has had a record year for
both turnover and profit.

Lyon Homes Limited, engaged in private
sector house building, has continued to expand
and is now well established as a builder of high
quality homes.

In Australia our subsidiary companies
are doing particularly well and are now
established as a major development
organisation.

In Europe the Group has consolidated
its position in France where Lyon Group
(France) S.A. has a number of major projects
currently under way.

Ronald Lyon (Far East) Limited has been
formed in Hong Kong, where an office has been
established with a number of projects both in
hand and in the pipeline.

We are currently investigating the
development potential in both Singapore and
Djakarta.

It has been a very successful year for the
Group, and the prospects for next year are even
better. The Group is now poised for further
substantial growth and consolidation in the
future, particularly in overseas areas.

Lyon



Is your wife seeing someone else
in the afternoons?

her and ask. Better still, ring us.
women have changed their afternoon
lunch. Why, in March this year, we
women spent a fifth more time doing it
and 4, than in October last year.
ring Independent Television that is.
a TV, but genuine ITV.
n gives you, if you think about it, a
runity to reach these ladies at leisure
age of your own. You may have
to sell for example, that they should
- and remember, afternoon rates

are highly competitive.
We are always interested in our audiences
- who they are and how advertisers can best get
in touch with them. Now, for example, we are
looking at ways to combine afternoon with peak
time for optimum coverage. Soon we shall have
more information about this and about the
afternoon audience in general.
Meanwhile one thing is clear: the ladies
are turned on and tuned in to ITV in the
afternoons. If you'd like a look at the figures we
have so far, please ring and ask.

K Tel used a number of 45 and 70 second afternoon spots in a
national campaign running from late February through March
and April. Their product - a long playing album entitled
"Twenty Flashback Greats of the 60s". Their target
audience - the nostalgic housewife. The album was a terrific
number one in the album charts and it stayed there for two weeks,
remaining in the charts for several weeks more.
Scots Liquid Gold spent an estimated £7,000 on 110
afternoon spots on TV from mid-April to mid-July. The
campaign was a success. Repeat orders flowed in from the retail
trade. In six shops where a new unit size of product was being
tested, sales averaged 100 units a week. Scots must be pleased.
They're back on London Television this autumn with a
considerably increased expenditure using peak time as well as
a large number of spots aimed at the afternoon viewer.

Television
Works

BBIA

Ring us—we'll tell you. 01-636 6866

British Bureau of Television Advertising Ltd, Kingston House, 52-66 Mortimer Street, W1N 7DG.

Agency News

Berlei moves to Macaulay

BERLEI, the consery company, is to switch its £500,000 advertising account from Masius, Wynne Williams to David Macaulay. Berlei says it was not dissatisfied with Masius but wanted to move to a smaller company and get a completely fresh marketing approach.

It looked at 25 agencies before deciding on David Macaulay, who will take over

the account at the beginning of next year in time for the spring season.

Charles Barker Advertising is to take over Private Patients Plan's advertising account from Cavendish Advertising at the beginning of next year. Donald Watson will be in charge of the account, the budget of which has been set at £130,000 for 1974.

Benton and Bowles is expected to win the £200,000 advertising account of ITT's television, radio and audio equipment division at present marketed under the KB name.

ITT is to re-organise the marketing of this range under its own name.

Ogilvy Benson and Mather's Scottish office is to handle the Lang Brothers Whisky account with effect from January 1. This account was previously handled by Osborne-Peacock.

Footie Cone and Belding is planning to run the biggest campaign ever for Reckitt and Colman's Tom Caxton range of home-brew beers. The national campaign, which will run until Christmas, has a budget of over £200,000.

The Marketing Society's annual conference is to be held at the Royal Lancaster Hotel on November 8 at a cost to delegates of £25. The lunch-time speaker will be James Gulliver, chairman and managing director of Ortel Foods.

HOW EUROPEANS DO BUSINESS WITH THE WORLD. FOR £40.

Get your company listed in ABC EUROPE PRODUCTION Europe's major industrial directory

18,000 copies of the 2-volume ABC EUROPE PRODUCTION could carry news of your products from the EEC & EFTA into COMECON and the rest of the world... in 3 languages. You could reach the top buyers in a market of 600 million people. You could get product enquiries channelled to you by the publisher. And a lot of other service besides.

For a minimal £40.

It's worth a phone call to get the details. The number's 021-454 7348. Dirag Ltd (part of the Thomson Organisation) are UK agents. Hagley House, Hagley Road, Birmingham 15.



THE UNIVERSAL REGISTER OF EUROPEAN EXPORTS

Advertising and ...

Move towards rent for shop space

WHEN THE large multiple retailers were being particularly dominating to their grocery suppliers and suggesting that they completely controlled the marketing of grocery products the idea arose that shortly the retailers would start to charge rent for their valuable shelf space. In a way they already do so through the system of trade bonuses and promotional kickbacks which the manufacturers have to hand over to gain good displays for their brands in the shops.

Now a company has been formed which takes this idea a stage further. Two marketing executives from Naim Williamson have formed Greenfield Balcombe Marketing (GBM) and are now approaching the U.K.'s department stores with the idea that they should act as brokers to lease display sites in their shops to manufacturing companies. The idea is that each store has some key selling sites lying idle which could be rented by a manufacturer of electrical goods, or of clothing, or of kitchen durables. This display

would promote the merchandise and be particularly useful in gaining exposure for new products.

GBM, in return for a commission, would sew the deals up, offering manufacturers 1,000 displays in all the key stores in the key cities at a fixed price. It would, in effect, guarantee the displays which grocery manufacturers obtain through promotional deals. GBM is thinking in terms of letting a spot at £15 a week, with ten spots to a store.

In a year the profit per store would be £7,500 or the equivalent of over £100,000 in extra sales. No more staff would be required, and the entire cost would be borne by the manufacturer.

There are, of course, problems of organisation and doubts as to whether manufacturers will be prepared to pay for what they now often obtain for nothing. GBM is cutting across many traditional practices and suggesting a service which needs all-round co-operation to ensure its effectiveness. But so far they claim that retailers are interested.

In the past the franchising out of store space has not been particularly popular, but this scheme does not involve the handing over of floor space to outsiders. All in all it sounds like one of those practicable marketing ideas which needs to be successful before it can overcome deep-rooted prejudices.

A. T.

Inside view of London

NEXT Thursday what is described as "the first major independent general interest magazine to be launched for over 20 years" hits the bookshelves—in London anyway. It is Inside London which is edited by the former Campaign editor Peter Elman and is modelled on the very successful New York Magazine. The aim is to provide Londoners with an intelligent weekly guide to the capital.

Inside London will be backed by £20,000-worth of advertising, devised by Murray Parry, and including a TV campaign next Wednesday. The first printing will approach 100,000 and the magazine, which is mainly financed by businessman Mr. Laurie Marsh, is also well supported by advertisers, such as Barclaycard, Norwich Union and Benson and Hedges, who are taking 29 pages in the first issue. Selling at 15p, Inside London has a staff of over 20



This week saw the start of London's newest agency, named PLN Partners. Of course the main part of it is one of London's older agencies, the once public Pemberton, which was taken over by Kimpher and has now been joined with another agency that Kimpher had an interest in, Lipps Newton. Three directors from this much smaller shop, Mario Lipps, Paul Forster and David Newton will manage PLN along with Monty Alexander, the former creative head at Pemberton.

When the hundred strong staff turned up for work this week they all received champagne on their desks, and to help launch the new era the agency announced that work would start on two new accounts, Sun Mail, a new mail leaf from Allied Bakeries, and Roamer watches.

SINCLAIR RADIONICS

From calculators to cars

BY ANTONY THORNCROFT

NEXT MONTH the first television campaign for calculators starts in the London area. It is hardly surprising that the advertiser is Sinclair. For it was Sinclair which revolutionised the calculator industry by taking full colour pages in national newspapers to promote its pocket sized Executive Calculator. The gamble paid off; a new market was opened for calculators among junior executives; and in its first year in the market Sinclair cleared 50,000 of them. In 1971 the entire calculator industry had only sold 60,000 items in the U.K.

The £50,000 campaign is for a second generation calculator, the Cambridge, which is even smaller and cheaper than the Executive. (It costs £29), and is aimed at engineers and students. Clive Sinclair, who started Sinclair Radionics ten years ago, has a simple view of business success. You look for a market which seems bound to develop rapidly; you find a product with a definite plus; and then you out-advertise your competition.

In this way Sinclair seized on the emerging boom in calculators, and has boomed his company's turnover from £750,000 to around £4m this year, attracting many imitators in the process. He

is still producing 1,000 calculators a day (mainly made under contract by six factories), with the Cambridge serving the home market, while the Executive goes mainly for export. But Sinclair is now thinking of next year.

In 1974 Sinclair Radionics is taking on the watch industry, with a digital watch. Here again the idea is not new: digital watches are doing very well in the U.S. But Sinclair believes he can lower the price to make them competitive with traditional watches, and anticipates that by 1980 a quarter of the market will be in such watches.

His marketing approach will be a carbon copy of the calculator. At first he will produce an up-market digital watch from his own factory at St. Ives. Then will come a cheaper, second generation, model, made under contract, but with the entire production coming to St. Ives for checking. He also plans to spend more on advertising than any other watch producer.

If watches sound something of a gamble (the retail trade is not famous for its innovation) some of Sinclair's other projects are even more striking. He reckons to have ironed out all the technical problems in manufacturing a pocket sized television set. The only thing holding back

production is factory space. Sinclair believes there would be a ready market for the set, which might be sold for as little as £30.

Beyond television sets Sinclair's R & D staff are working on the ultimate in electronic gadgetry—the electric car.

Sinclair Radionics started as a small specialist hi-fi production company, and although the calculator now accounts for 75 per cent of sales at the Audio Fair, later this month the company is introducing a new range of more compact hi-fi equipment, with the aim of reducing the price for the non-fanatic to around £70. Here again Sinclair will reckon to advertise heavily.

All told he is spending around £350,000 a year on advertising, which makes him a popular client at Primary Contact, his advertising agency. Sometimes his advertising expenditure seems to draw the profit margin on each item sold but Sinclair believes in promoting the name. It is a name that has already attracted many takeover inquiries. But Sinclair has no intention of selling out. To date he has balanced technical innovation with sales foresight. His only problem is that he might stretch his imagination so far that he loses sight of marketing realities.

Now Singer for Saatchi

THE Saatchi and Saatchi banner continues to roll. The advertising agency which grew out of a creative workshop and attracts intense interest in respect, amazement, and jealousy from Wilkinson, Sweet, Gluck and Cragate among others. This week it added Singer and the Investors Chronicle, bringing its billing up above £5m mark, a considerable achievement for an agency which is barely two years old.

The Singer account is worth over £800,000 and was formerly with J. Walter Thompson. This agency recently lost the business in the U.S. and this loss of the obviously had ramifications in London. For although still dominant, selling over half the sewing machines in the 30m market, it faces increased competition from Japanese models. Saatchi and Saatchi take over the account from January 1, and might well concentrate a sizeable part of the budget on promoting the 330 shops owned by Singer.

The retention by the Investors Chronicle is perhaps a more surprising. In the past it has been remarkably large advertising budget (£15,000 this year) has been handled by a financial agency Foster Turner Benson, but it obviously feels it can acquire an extra edge by calling on consumer talents. It has already used television advertising to push its circulation over the 50,000 mark and with the demise of its rival, the Investor, Guardian, hope a vigorous new campaign will set up sales here, and from the millions of investors who do not like a financial weekly.

Public write radio ad.

LINTAS PROMOTIONS Unit is organising a consumer contest to help launch a London Broadcasting radio station on October 8. It is hoped that the contest, which involves writing a catch phrase/jingle reflecting the station's image at purpose will encourage sample of the station and give an immediate feedback of the image is promoting to the general public.

The first prize is a stereo system worth £272, with radios worth over £15 each and second prizes. Advertisements in the contest will appear in the Evening News and the Evening Standard and the winning slogan will probably be used on the air.

BUT WHAT IF YOU DON'T THINK RADIO ONE IS WONDERFUL?

There are still plenty of people around who do not wish to 'rock on'. Or hear schoolboy jokes. Or even dedicate a song to their dear old mum.

For these people, good news. London Broadcasting.

'A radio station that makes sense'

London Broadcasting brings a whole new idea to radio on Oct 8.

In essence it will be a 24 hour a day magazine, drawing together the news behind the news. From the truly international story, down to an examination of a particular local issue—like dustbin collection.

'Maybe it's because we're a Londoner'

We're striving to make LBC compulsive listening.

Apart from the proven ability of news as a 'puller' (we'll have

bulletins every twenty minutes).

We've put together a pretty compelling package to tempt Londoners to 'dip in' every day.

A product complaints programme where the woman in the street can get through to the manufacturers of faulty goods. A real look at what's happening in Town with the help of Time Out. A morning shopping report from London's main markets. Even a daily horoscope.

'A pound that actually buys something'

If you're stalking the London market LBC will be an important part of your ammunition.

Commercial radio has all the excitement and opportunity of a new medium. The sort of space and production costs that

wouldn't raise a whisper on TV.

And speed. You can still be in at the start of LBC.

We hope to hear from you.

You'll certainly hear from us.

'And now a commercial'

Commercial radio is an exciting new medium with bright new prospects for advertisers.

Mike Duncan, Terry Williams, Geoff Moffatt or Peter Saxton would like to tell you about them.

Ring them at

Radio Sales & Marketing Ltd., 25-28 Old Burlington Street, W.1. Telephone 01-734 9431.

Radio these days is something to be listened to.

417 LONDON BROADCASTING

ON 417 METRES, 719 kHz AND VHF 97.3

You've never heard anything like it.

The Marketing Scene

last five years France has led Europe in retailing innovations. Pamela Readhead
to the man whose shopping centres attract more visitors than Chartres Cathedral

The French discover how to shop

CENTRES" said
e's leading property
are the best inven-
e West. Unlike the
the out-of-town shop-
accounts for 50 per
retail distribution,
been slow to adopt
buying and selling,
however, shopping
now rapidly become
business.

markets they have
n the last five years
result of a dramatic
explosion in the
but also as part of
ent's effort to attract
e provinces. Like the
s, they serve a large
it 500,000 people, and
ce car parks. But
hypermarkets which
k buying well at dis-
t, the shopping centre
vide a range of retail-
er one roof. Depart-
es, chains, super-
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ditioned landscaped
plex, the housewife
week's shopping with-
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children being run
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Pary 2 was opened
the western suburbs
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Up-French. It was
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ad.

Part 2 is said to
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up which developed
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e. And all forecasts
has risen from £31m.
£42m in 1972 and a
with of £4m, is pre-
dicted.

was followed by
n Southern Paris in
hon by Grigny 2 and
his year. The com-
tor for the four
in the Paris area, is
a reach £141.7m, this
by 1976 five more

could not rely on people who



A view of Parly 2

developments will be on stream, live nearby to drop in without
1.5m. square feet.

Other groups have followed
the Balmain blueprint and the
recent opening of the main
Maine-Parisse centre in the
middle of Paris by a consortium
of banks is only one of a grow-
ing tide. A second city centre
development is planned for the
site of Les Halles, the Paris
market which is being currently
demolished. For it seems that
both the housewife and the
retailer like the new system,
providing the shopping centre
is well managed. For the secret
of a successful centre is a pro-
prietor's atmosphere which does
not come from empty lots, dis-
mal window-dressing and poor
stocks.

This is one of the main lessons
that has been learned from
Parly 2 in the last four years.
Not that the centre has changed
outwardly. Only three or
four retailers have dropped out
and a queue of 36 are waiting
to come in. There are more
services now, such as estate
agents and banks, and local
advertising was stepped up when
the management found they
by 1976 five more



Robert de Balmain

instance, which has taken one
of the biggest sites in the Maine-
Parisse centre moved into
France through Velky and
Remy. Habitat too, has opened
in Montparnasse, and plans two
more outlets next year.

Old-established department
stores like Galeries Lafayette
have used shopping centres as a
step into the suburbs and one
store, Samaritaine, previously a
one-site Paris operation, has
undergone a complete face-lift
as part of a decentralisation pro-
gramme through the centres.

Robert de Balmain and Jean-
Louis Solal, the fathers of the
French shopping centre, are now
looking outside France. Backed
by local banks, they have acquired
ten sites in Spain, Italy, Germany
and South America. With a target
of 100 shopping centres through-
out the world before 1980 they
will have to move fast.

Robert de Balmain works in
Paris, opposite the Ritz Hotel, in
Paris's Place Vendôme. He
started developing property in
his early 30s and when the
French banks refused to back
him, found support in Switzer-
land. Now, as chairman of the
group he started in 1960, he
controls a number of luxury resi-
dential and office developments
as well as the shopping centres.

De Balmain admits that finance
was initially a big problem—
"until British banks taught us
there was no risk in lending
money against paper." In the
early days, he got around this by
selling the large sites to depart-
ment stores and supermarkets.
"But from now on, we shall be
able to rent every square metre,"
he claimed.

Planners however are not as
easily convinced as the banks.
De Balmain has so far been
unable to acquire permission for
U.K. shopping centres, in spite
of a toehold he has just acquired
in a joint venture with Trust
House-Forte in Manchester for
offices, flats and a handful of
shops.

De Balmain, however, is not
easily discouraged. He can even
see the day when those arch-
rivals, hypermarkets and depart-
ment stores, will be brought
together in one massive Utopian
shopping centre. For in the
words of De Balmain, the
prophet, "anything that can
create traffic is good."

independent French retailer was
not expected to like. The more
usual system is total lack of co-
operation between traders in a
street. However, small shop-
keepers have not appeared to
suffer by throwing in their lot
with the "grand magasins" in a
co-operative venture—quite the
reverse. At Parly 2, one inde-
pendent butcher has become a
millionaire and open branches in
the other Balmain group centres,
and a small button shop is also
making a fortune.

A recent survey at Velky
showed the customers preferred
to move from outlet to outlet for
different goods, even if they were
available in the same shop. In
other words, the High Street
habit is so deeply entrenched
that small traders tend to gain
custom rather than lose through
proximity to the larger, cheaper,
stores.

Once a retailer has accepted
the idea of a shopping centre he
tends to stick with it. Over
50 per cent of Parly 2 tenants
moved to Velky 2 and some are
represented in all four.
The centres have also provided jump-
ing-off points for companies new
to France. C and A Modes, for

met with to date may fade away
in the future. For now it is
undertaking its own marketing
effort. An advertising budget of
£100,000 has been set aside for
the launch of the new range
(with Maisey Mukerjee handling
the campaign) and from a one
man marketing operation a sales
team is being built up. But there
are obvious difficulties in selling
yet another range of frozen foods
into the already highly competi-
tive limited space of the retail
cold cabinet.

Companies which have been
clients of King Harry until now
will meet it as competitors, and
getting the retail trade to take
what will be fairly expensive
novel lines will need some per-
suasion. Although to date King
Harry has charmed BOC in the
immediate future the more ambi-
tious brands will need to ally
to the grocery world a little in
quite the same way as the pizza.

But in the short term most of
the profit will come from the
frozen pizza. In the U.S. this
is a \$150m. a year industry and
already in the U.K. sales are
approaching £2m. Pizzas gave
King Harry the opportunity of
being a mass volume producer
right from the start. Now the
pizzas come off the production
line at the new factory at a rate
of 35 a minute and through its
Marks and Spencer lines, its
slightly down-market
own King Harry line, and its
version for one of its largest
frozen food competitors, BOC,
now accounts for around 30 per
cent of the pizzas sold in the
U.K.

As King says "the pizza was
the proving product which BOC
wanted. The Marks and Spencer
link was vital. It was easier to
make for them than to sell under
our new name and it also proved
the quality of our operation." King
sees the pizza market in the
U.K. as worth £20m. in about
five years' time and already King
Harry is experimenting with
pizza line extensions which are
new to the U.K. Marks and
Spencer, for example, is testing a
pizza with minced beef on top
of the dough rather than the
traditional cheese and tomato.
The co-operation that BOC has

FOUR DAYS BEFORE THE SWITCH ON

Radio's static start

BY ANTONY THORNCROFT,

One day last week an engineer
at London Broadcasting pushed
the wrong switch and for ten
minutes the U.K.'s first land-
based commercial radio station
was on the air. Fortunately a
Post Office official soon picked
up the error and equally fortu-
nately the advertisements
transmitted were only Canadian
samples, being used for test
purposes. After a week of dry
runs, the real advent of what
the companies involved prefer to
call "Independent" radio hits
the air at 6 a.m. next Monday
in London, with the opening of
the all-news programme, Capital
Radio, the entertainment station,
starts eight days later.

So far the promotional cam-
paign, designed to drum into the
public consciousness the num-
bers 539 metres (for Capital)
and 417 (for LBC), has been
rather low key. However, yester-
day LBC started its evening
television campaign and Capital's
appears to-night. The aim is to
persuade at least 10 per cent
of adults to listen to commercial
radio and the enthusiasts expect
the total to hit 20 per cent.

But at the moment the two
London stations are perhaps
more concerned with attracting
advertising revenue than
listeners. For despite the much
publicised media shortage, with
TV fully booked in many regions
and the Press suffering from a
newsprint scarcity, it does not
seem as if much of the supposed
surplus advertising expenditure
is going into radio.

The two commercial stations
are certainly very well booked in
their first week but the overall
revenue so far committed is up
to cautious forecasts but does not
suggest a cash bonanza. Already
it is possible to buy time at a
discount. It looks, in fact, as if
commercial radio in the U.K. is
going to start bogged down by
the caution of the advertising
industry in exactly the same way
as television.

Some agencies are definitely
unimpressed by radio. Perhaps
they do not like the fact that
they have got to learn new
creative skills; perhaps they
have been put off by early con-
fusions about the length of
commercials on the two London
stations; perhaps they are
genuinely worried about the
problem of clearing the com-
mercials, and have the idea that
the stations may alter scripts.
Whatever the factors they are
reluctant to push clients into
campaigns until they see the size
of the audience.

On the other side of the fence
there are enthusiastic agencies
trying to interest sceptical
advertisers. P & G, for one,
has decided against radio in the
short term and many others do
not see how a campaign, how-
ever inexpensive, in the London

area can be slotted in to their
overall marketing programme.
Some agencies feel that the two
stations have been short-sighted
in pitching most of their sales
effort at big national advertisers.
Daily Mirror, London Week-end
TV, airlines, stores and cinemas
But the agencies might be a bit
more co-operative if they could
sort out some procedural niggles.
They already have had their way
over the length of spots—the
stations will accept virtually any
length commercial if accom-
panied by money.

It is perhaps wrong to view
the stations as one. Capital, the
entertainment station, has been
accepted in the main by agencies
and advertisers. They feel they
know what its programmes will

So much depends upon the
programmes. Among the early
advertisers will be Birds Eye
(which has the first spot on
Capital) Baxi Charrington, the
Daily Mirror, London Week-end
TV, airlines, stores and cinemas
But the agencies might be a bit
more co-operative if they could
sort out some procedural niggles.
They already have had their way
over the length of spots—the
stations will accept virtually any
length commercial if accom-
panied by money.
The big agency grouse is the

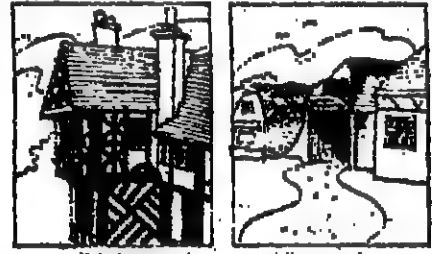


Managing director John Whitney at the controls of Capital Radio

be like and can guess at the
size of the audience. Sales
director Tony Vickers is shy
about figures but admits to taking
over £500,000 in revenue and
seems reasonably happy with the
way things are going. At LBC
there are greater problems, but
John Miel, whose Radio Sales
and Marketing is selling the
spots, says that he is reaching
his conservative forecasts.

In fact both stations say they
did not expect the cash to flow
in until they could prove that
their sparkling programmes
would seize the public imagina-
tion, secure high listening figures
and force the advertising world
to sit up and notice. Certainly
agencies would like to see rough
audience figures quickly—in at
least six weeks—and NOP seems
to be destined with the task of
showing whether commercial
radio has succeeded in gaining
acceptance.

It's all a
matter of taste.



Lythe Hill Hotel.

The twin of us.
"Auberge de France"
NIV Century French restaurant. Period bedrooms.
"L'Entente Cordiale".
English cooking in 28 luxury bedrooms and suites.
Lythe Hill Hotel, Putworth Road, Haslemere, Surrey.
Haslemere, Surrey. Tel: 85,902.
Eigen: 0000 AA & RAC Rosette. A Prestige Hotel.



Invest in the daytime with Southern

aying daytime on Southern makes
sense.
With 62% of all housewives already
on Monday-to-Friday daytime
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re viewing) the value of the market
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NEW PRODUCTS

Harry's King-sized Pizza

BY ANTONY THORNCROFT.

THE grocery trade is probably
the most cut-throat area in
marketing, and one that is
notoriously hard to diversify
into—ask Imps about that. But
the experiences of British Oxygen
have not been unhappy. It was
in 1969 that BOC, upset by the
competitive growth of the Ameri-
can Air Products in the U.K.,
and aware that the technological
breakthroughs of its R and D
department were making
fortunes for its customers,
decided to try some of its own
venture management. It invested
£50,000 into a small development
team which was briefed to look
for fresh markets in the frozen
food area. Within a year the
new operation, blessed with the
name of King Harry, was firmly
in the frozen pizza business.

The surprising thing was that
BOC was not seen as a com-

petitor. As the whisper got out
Marks and Spencer was on the
line asking it to make pizzas for
its own label and co-operating
fully in the development. Birds
Eye was unlocking some of its
resources, and companies like
Bejam and Centre Hotels were
approaching with ideas and
suggestions of lines they would
like BOC to manufacture for
them. Now the operation is
running into profit and expecting
a £2m. turnover in 1974. It is
also switching from making
branded goods for other people
to making its own way in the
grocery trade. From the New
Year a range of King Harry
frozen dishes will appear in the
shops. Sales manager Terry
King does not want to give away
too many secrets but one of them
will be an avocado pear plus
prawns dish.

But in the short term most of
the profit will come from the
frozen pizza. In the U.S. this
is a \$150m. a year industry and
already in the U.K. sales are
approaching £2m. Pizzas gave
King Harry the opportunity of
being a mass volume producer
right from the start. Now the
pizzas come off the production
line at the new factory at a rate
of 35 a minute and through its
Marks and Spencer lines, its
slightly down-market
own King Harry line, and its
version for one of its largest
frozen food competitors, BOC,
now accounts for around 30 per
cent of the pizzas sold in the
U.K.

As King says "the pizza was
the proving product which BOC
wanted. The Marks and Spencer
link was vital. It was easier to
make for them than to sell under
our new name and it also proved
the quality of our operation." King
sees the pizza market in the
U.K. as worth £20m. in about
five years' time and already King
Harry is experimenting with
pizza line extensions which are
new to the U.K. Marks and
Spencer, for example, is testing a
pizza with minced beef on top
of the dough rather than the
traditional cheese and tomato.
The co-operation that BOC has

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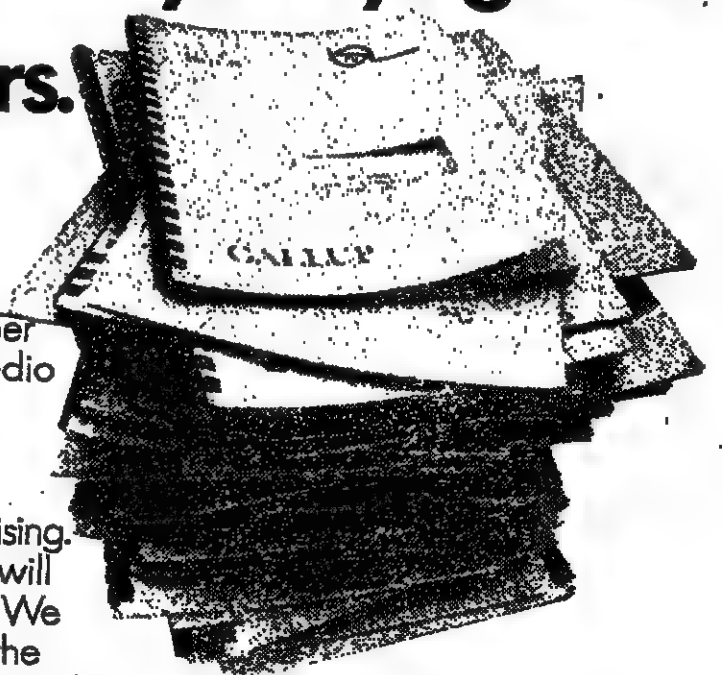
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don't pretend to know the
answer to the first question. No
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best of British luck, because
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radio is good for us.

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established and only national
commercial station we know
commercial radio works. We
have mountains of research to
prove it, not to mention stacks
of renewed contracts from
some pretty hard-nosed custo-
mers who sucked it and saw
the light.

You see we have a crystal
clear picture of our audience.
And a single-mindedly positive
policy when it comes to
programming. We're out to
entertain. Not educate. So no

debates, no plays, no action
replays, no sport, no serious
music. Just non-stop pop, with
no needling needle time
restrictions, plus crisp news on
the hour every hour. And part-
of-the-scene commercials.

It all adds up to a nightly
audience of at least one million
strong. And that's not counting
anyone under 10 or over 34.
And there's a bond between
Radio Luxembourg and our
listeners. For instance, when
we asked listeners to name
every single record, in order,
played over a 7½ hour period,
believe it or not over 9,000
people wrote in!

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get the message.

Radio Luxembourg.

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Radio Luxembourg
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THURSDAY OCTOBER 4 1973

A liability to watch

THE detailed balance of payments figures for the first half of the year published in yesterday's *Economic Trends* make a startling contrast with those for the first half of 1972. One major and familiar difference is the sharp deterioration of the trade balance. Despite an increase of £150m. between the two periods in the foreign exchange earnings of the private sector from services and investment, the total balance on current account has moved from a surplus of £155m. to a deficit of £512m.

Yet this worsening of the current account has not been accompanied and magnified, as so often in the past, by an outflow of capital. The first half of 1972, and particularly the second quarter, was a period during which mounting pressure on sterling culminated in the decision to float the exchange rate. The balance of payments statistics reflect this pressure in a variety of ways. Sterling area countries increased their London balances during the second quarter at a much slower pace and sales of U.K. Government securities to foreigners fell off. U.K. investment abroad (especially in foreign securities) rose, the sterling liabilities of the banking system to foreigners were reduced, and there was a heavy outflow—both identified and unidentified—of short-term capital. The reserve fell in the second quarter despite massive borrowing from central banks overseas.

Capital account

The first half of 1973 shows a quite different picture on capital account. Over the period as a whole, the sterling balances have risen, the inflow of long-term capital has been buoyant, the banking system has borrowed abroad on a considerable scale and miscellaneous movements of short-term capital have resulted in a sizeable net inflow. The reserve of gold and foreign exchange rose by £69m. in the first quarter and £377m. in the second.

Yet it must be borne in mind that these figures are already three months old. Since June

the anniversary of the decision to float, it has become clearer than ever that scope for allowing the exchange rate to drift downwards is limited by the effect on import prices and domestic inflation. Official support of the rate has become necessary on a larger scale and the risk of unfavourable capital movements has been underlined by the last-minute decision to offer official overseas holders of sterling balances a more favourable guarantee in return for keeping them in London. The new guarantee runs only for six months: this particular problem has been postponed, therefore rather than solved.

Exchange guarantee

Mention of the exchange guarantee which, for the moment, is keeping sterling balances from being transferred elsewhere leads on to another weakness in the capital position which has become more marked since the end of the second quarter. In his last Budget, the Chancellor restored the offer of foreign exchange cover (in appropriate cases) to nationalised industries and local authorities raising capital abroad. In the nine months of 1971/72 during which the scheme was previously operative, these bodies borrowed £137m. abroad. Since March of this year, however, they have borrowed \$1,766m.: the Post Office has recently announced plans for raising \$500m. and there are no doubt others in the pipeline.

There is a case for such borrowing, especially in current market conditions at home, but it should be remembered that it is a potential drain on the exchange reserve unless rolled over at maturity. Two criticisms, moreover, seem to be in order. The first is that the Treasury's method of charging for the exchange guarantee provides the borrower with no incentive to obtain the cheapest possible terms. The second is that the existence of these guarantees, like those on the official sterling balances, will make it expensive if sterling depreciates.

The Berlin Pact on trial

THE West German Foreign Minister, Herr Walter Scheel, made it clear in the Bundestag yesterday that he intends to stand his ground in the diplomatic dispute that has blown up around West Berlin. Ostensibly it is about the West German claim to exercise consular functions on behalf of West Berlin corporate bodies and institutions as well as individuals. More fundamentally, it is a warning that the Russians and their friends will continue to play on Berlin as a sensitive spot of the West when it suits them.

The argument has held up diplomatic negotiations that Bonn has been conducting with the Bulgarians, Czechs, and Hungarians, who have plainly acted in concert with Moscow. Bonn's right to exercise consular functions on behalf of West Berlin "residents" is enshrined in the four power agreement of last year which placed the status of West Berlin as a firm legal ground than at any time since the Berlin blockade. For some time now the eastern side has interpreted the phrase narrowly to cover natural but not juridical persons in West Berlin. While in New York for the General Assembly, Herr Scheel had already agreed with the Soviet Foreign Minister, Mr. Andrei Gromyko, to ask experts to sort out the problem. In Bonn that was widely taken to be a hopeful sign.

Refugees

It did not, however, explain why the East decided in the first place to put on the pressure. There are some obvious reasons why Moscow might wish to show displeasure. In the first place there has been an increase in the number of refugees from East Germany, taking advantage of less rigorous border controls instituted as a result of the east-west package of which the Berlin agreement was a part.

Herr Wehner

The western allies want to keep out of the consular argument. The reasoning underlying their attitude is that the Berlin agreement is not perfect, but will have to be made to work. Something similar underlies certain remarks with which Herr Herbert Wehner, parliamentary leader of the West German Social Democrats, stirred up a hornets' nest in Bonn. He said that Bonn was overplaying its hand, and that the agreement was the best one possible. The lessons of the episode are obvious: Berlin remains a sensitive spot; its emotional importance to the Germans is great, but it also seems that the Russians do not intend to bring matters to a head.

As prices go up, the number of brands goes down. This somewhat harsh picture of declining competition in the petrol market has already raised a considerable political outcry in the U.S., where actual shortages have led to industry rationing of supplies and the closure of over 1,500 independent service stations during the summer.

Now the cry is being raised in the U.K. where both the 1p-per-gallon price rise on petrol and Esso's decision to integrate Cleveland into its own brand this week seemed to have added only further substance to the gloomier prophecies of creeping domination by the market giants.

The fears and the parallels drawn between the U.K. and U.S. situations are probably unfounded. As the Secretary of State for Trade and Industry never tires of pointing out, the supply conditions of America—where a shortage of refinery capacity and traditional Government protection of indigenous production have compounded the problems caused by stagnating home oil output—are not comparable with conditions in the U.K., where imported supplies of crude oil and refinery capacity still appear just about sufficient to meet the growth in short-term demand.

Restricted increase

This week's price changes reflect not a sudden rush by the oil companies to take advantage of tightening supply and squeeze out their competition but a direct passing on of increased crude oil costs as permitted by the Price Commission. Far from being allowed to reflect rising free-market European prices, the companies were actually prevented from including an element of higher crude oil values in their U.K. price changes. Far from being left free to weigh the changes in prices towards petrol, normally the easiest product on which to effect a price change, the oil companies were in fact "asked" by the Commission to restrict petrol price increases to 1p per gallon and to delay the change for two days.

Nor can Esso's integration of the Cleveland brand be associated directly with changing competitive conditions. The decision, made earlier in the year, was partly in response to increasing pressures on the company to reduce duplication of effort as far as possible at a time of rising raw material costs and restricted retail prices.

Interestingly enough, the decision was also arrived at in response to a market study which had started off with the aim of examining whether Esso

PETROL: THE UK RETAIL MARKET

Brand	Number of outlets est.	Share of market est. %
Shell	7,500	24.0
BP	3,400	10.8
National Benzole	2,300	6.0
SMBP Group	13,300	40.0
Esso	5,825	17.5
Cleveland	1,920	5.8
Esso Group	7,745	23.3
Texaco	3,000	8.0
Mobil	1,500	4.2
Jet and Conoco	930	2.5
Burmah Group	993	2.7
Total	800	2.4
VIP (Occidental)	725	2.5
Fina	1,300	2.1
Gulf	324	0.6
Chevron	280	0.5
Others (30 brands)	3,552	6.8

should introduce a third brand into the U.K. market on the lines already followed by companies in Germany and North America. Instead of concluding that a greater variety of brands would be effective, however, the study decided that the repetition of a major brand name along the roads probably had a self-perpetuating effect in inducing the passing driver to pick the more familiar brand.

Although once an independent and aggressive thorn in the side of the major companies at the time of the Second World War, Cleveland was bought out completely by Esso more than a decade ago and its distribution system merged soon after. The disappearance of the name as a separate brand could well lead to some loss in sales for Esso. But it is unlikely to provoke any real changes in the competitive situation as far as the motorist is concerned: nor is it likely to cause any sudden shifts in the relative market shares of the various companies.

It is this very non-reaction that illustrates the biggest single factor in the petrol scene and presents the most interesting questions about the future. Whether the price rise and the Esso/Cleveland development will have any effect on the market or not, they come at a time of a fundamental shift in the whole supply/demand pattern in this country as in others.

Where the marketing policies of the oil companies were in the Sixties obsessed by surpluses of supplies and the impact of the cut-price operators (or "economy price" companies as some prefer to call themselves), they are now

having to adjust to tight supplies, falling competition and intense concern about the future availability of oil.

The effect of these new circumstances on petrol retailing has still to become clear, and has been partly confused by the artificial restriction on pricing imposed by the Government's prices and incomes legislation.

Not going for volume

The supply problem has caused many of the leading marketers in the country to adopt new policies—to aim for unit return instead of volume, and, in the case of some of the largest companies, to seek to restrict volume growth. On the one hand, the independent oil marketers, which have traditionally gone to the surplus market for low-cost marginal supplies, can no longer rely on the spot market and are having to pay higher prices than the majors—if they can pick up oil at all. On the other hand, the majors are facing an acute short-term problem due to the changes in supply sources following the participation agreements with the oil-producing countries. In the current state of uncertainty in the Middle East, few can be certain just how much oil they will obtain over the next few years and thus few are willing to take on commitments.

The failure of some of the smaller companies to gain supplies and the unwillingness of the majors to step in with alternative, low-price deliveries are causing the present short-

ages of petrol and, more uncomfortably, of diesel and heating oils. Already two independent, cut-price petrol suppliers, Trident and Redwing, have been forced out of the market. Similar problems are being faced by a number of independent hauliers in the Midlands and some suppliers of heating oils who are used to buying on a casual basis. And the problems could grow worse if price restrictions in the U.K. encourage some of the independent or smaller companies to divert supplies of either crude oil or oil products to higher-price markets elsewhere.

The impact on the petrol market is already being seen in the decision of most of the major companies to cease national "give-away" promotions on the forecourt, in the gradual squeeze on the cut-price companies (who account for over 12 per cent of the market) and in the reduction of the number of companies and brands on the scene.

The basis is there

At the same time, these trends are being intensified by government control on prices. Already in the surplus market conditions of the late 'sixties the majors were being forced to cut costs, rationalise distribution, reduce the number of sites and concentrate on volume throughput rather than national representation. Self-service, blender pumps, a growth in the number of company-owned sites and the blossoming of on-site promotions—all followed.

Now while the search for volume growth is receding the

need to cut costs is not. The reduction in the total number of sites is continuing unabated, and, as the Cleveland decision illustrates, there is less and less choice of brands. The trend may be unwelcome in political terms, leading to cries of excess control by the majors, but it is difficult to see how it can be avoided, particularly as so much of it is due to cost reasons independent of the so-called energy crisis.

Whether the market will return to greater competition—and what will happen if it does not—are the questions now being asked throughout the industry. There are still no clear answers.

Certainly, the basis for competition is there. A number of companies, in particular Texaco and Chevron, remain relatively "long" on crude, thanks to their position in the dramatically expanding production of Saudi Arabia, and both appear still to be looking for some increase in business. Nor have all companies abandoned promotions. Both Texaco and BP stations are still advertising offers, implying that there is interest in competitive marketing in some quarters.

The Esso decision to merge Cleveland comes at a time when Shell and BP are breaking up their joint marketing subsidiary in Britain, Shell-Mex and BP into separate BP and Shell brands (with BP taking over the National Benzole brand after some redistribution of its stations). The effect of this under normal circumstances would be to end the market dominance of the Shell-Mex and BP group (it had a share of about 40 per cent of petrol sales) and to introduce some competitive jockeying for position between Shell and BP as

the well as between Shell and Esso. Whether this will happen is doubtful, but already has come more to the fore the market as the change progresses, and this could have implications for the industry under different conditions.

Growing supplies of the North Sea could also affect competitive positions, especially if the Government intervenes to keep supplies as much as possible within the U.K. rather than allowing their free export abroad. Companies with their own supplies of North Sea oil would then begin to enjoy the same advantage over their competitors as indigenous producers of oil do in the U.S.

Surplus gone for ever?

But against this, there are few signs of the surplus ever returning. The surplus market, which has so long supplied the independents would now appear to have gone for ever and, with them, the powers of the cut-price operators. Nor is there any sign as yet that the public is particularly price-conscious in buying petrol. Experience over the past series of increases suggests that there is widespread confusion about prices and little real elasticity in demand.

Market conditions could change. But until they do, rationalisation of costs and concern over supplies are likely to remain the overriding factors on the petrol scene.

MEN AND MATTERS

Marking the French card

The founding family will be particularly interested in the announcement that Valentines of Dundee, the Waddington-owned greeting card company, has acquired the French Valentines used to be run by the Valentines, who invented the February 14 card to capitalise on the coincidence of their name and St. Valentine's Day. Then three years ago Andrew Valentines, who had been none too happy under the Waddington management at the family concern (the takeover was in 1963), left to form his own company, which only last week announced it was going into the charity Christmas card business. So it will be intriguing to see which of the two developments fares best.

Andrew Valentines, at least, is going into a well-defined market, which is now said to account for some 18 per cent of all Christmas cards. But on the face of it, Valentines of Dundee's move into France looks perverse. France, according to the company's own figures, has one of the worst card-giving records in Europe, less than one per person a year, against the U.K.'s 15 per person and Holland's 20. Whatever that might say for the good sense of the French, it does not look like a healthy base on which to build.

The point, says Jim Scott, Valentines' managing director, is that France provides a Continental base for attacking the German market which really interests him but proved impossible to buy into. Scott, 47, an ex-Wick-Orr consultant, has taken Valentines from nine countries opposed to the

losses of £30,000 in 1968 to pre-tax profits of £430,000 last year. Even if his European strategy does not prove successful the French company will, he says, provide some good stories for what is still an "old-fashioned Scottish Presbyterian company."

Odd offence

Mr. Wilson's humour, as displayed in Blackpool yesterday, included the well-received observation that with the Labour party you got two conferences for the price of one. There was what happened, and what the Press said happened. He then gave a parody of a Daily Express report, claiming that the conference resembled some scene from Stalin's Moscow. "Small wonder," concluded his report, "the smile of expectancy on the face of the Tass man on the Press table. 'Pause.' 'I've never seen a Tass man smile.'"

Except from the actual Tass man, who seemed rather agitated and asked about him whether Mr. Wilson was joking or not. He was pacified, but another Russian journalist took it all more seriously. It was an unjustified attack on Tass, he felt. "Why did the executive buy this?" It then took some time to explain that such statements are not the approved thoughts of the Labour party executive: just Mr. Wilson having a bit of fun.

International brotherhood was thus restored. Where it is still lacking is in the reception given to the EEC officials, including several ex-Labour officers, who are attending the conference. Their presence is part of a Brussels public relations exercise, given that Labour is the only major political party in nine countries opposed to the

present EEC. So far the response from the bulk of the delegates has been frosty.

Abbott after Inbucon

Perhaps the most unusual example of a management consultancy moving from advice into action was Michael Abbott's brief experiment with Inbucon Investments. The idea, says Tom Abbott, was to build up an investment operation which would "ensure that high fliers could be kept within the Inbucon group" by involving Inbucon in concerns in which the group had an equity stake. In the event, it brought about such fundamental disagreement with Inbucon's parent company, Leasco, that Abbott eventually left.

This left Abbott, in 1971, out in the cold after 15 years in consulting. He had no family money behind him, but many provocative statements about the ability of consultants to run companies successfully. So he went looking for an industry in which he could "build up an asset backing quickly," and not unnaturally came up with property. Within a year the company, Abdden Properties, concentrating on residential developments had, he says, built up profits to £55,000 and about a year ago this was reversed into the quoted Dover Engineering Works.

Dover then bought Smith and Wellstood, another foundry and engineering company, based at Bonnybridge in Scotland, while selling off its two troublesome machine tool units. The present spread of interests is gas inspection services (Dover), jobbing engineering, cookers, and stainless steel catering equipment. At the same time, the Abbott, much in the manner

of Oliver Jessel, has been reorganising the company so that the property and manufacturing interests are shown separately.

Last year pre-tax profits were up from £55,000 to £130,000, so Abbott has already struck a small blow for consultants. And if the real test is still ahead he is showing plenty of confidence in his own profession yesterday by hiring three men from Inbucon. They all move into key positions. Tom Faulkner, ex-director of Inbucon/AIC's marketing division to marketing director at Dover; Jim Graham, ex-Scottish director of Inbucon/AIC to Smith and Wellstood as assistant managing director, and Don Bell, who ran one of Inbucon's most successful investment companies in pipeline inspection, general manager of Smith and Wellstood.

But does Abbott have no reservations about consultants? Well, he replies waspishly, when heading Inbucon, he once did an analysis of all the consultants working there. He came to the conclusion that only a small percentage "would be successful in running a public company."

Onomatopoeia

The helter-skelter man had been having a slack day at the fairground. Then suddenly he got a customer, who paid, took his mat, and went up the stairs. All smiles, the helter-skelter man waited for him to come down, but nothing happened. So eventually he went to the bottom of the slide and shouted to see if the man was all right. "Yes, I'm fine," came the answer. "I'm on a mat up here."

Observer

We've taken a new look at insurance for banks.

Banks and financial institutions have

Labour's bad answers to good questions

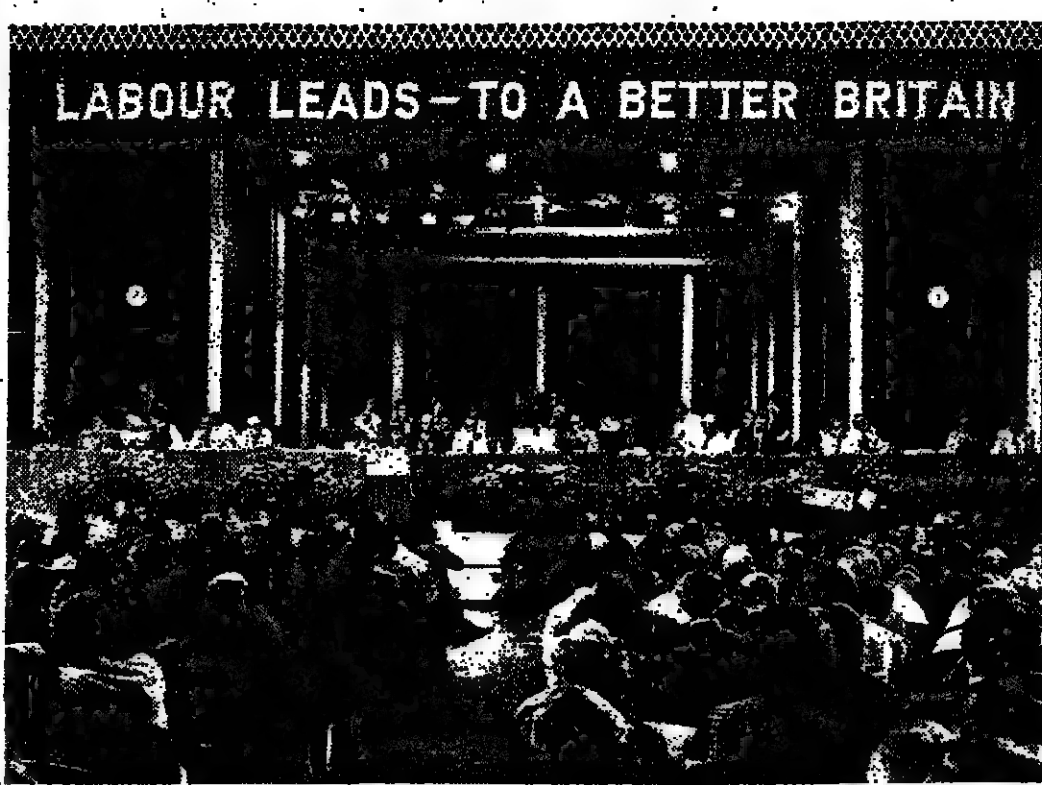
Harold Wilson's always enjoyed pelting its opponents with Government bonds. The stock market movement without himself to any direction; and his ill to the spirit of this art.

However, an anticipatory bull market would hardly be in order; the shopping list for nationalisation in the spirit of '45 is too short. The loss of aircraft and shipbuilding shares will hardly create so great a famine of stock as to support a new cult of the equity, and Labour's other approaches are more modern. Government control, says Mr. Wilson, is to spread as wide as Government aid; in other words, a Labour successor to Mr. Chataway would behave like an investment banker rather than a clearing banker, and the State would set up its own merchant bank.

Muddled

There would also be a National Enterprise Board, a rather awkward harnessing of Robert Owen and Jim Slater, with the task of "democratising" the nationalised industries and building up a public stake in private industry. This would go along with an agreement system of planning and reserve powers to issue directions to the private sector.

Here we are approaching the muddled heart of Labour's industrial policy: and the muddle turns out to be bipartisan after all. After the language a little, and the problems could be discussed in very similar practical terms by Conservative ministers. The difficulty of generating private-sector investment worries Mr. Heath as acutely as it ever worried Mr. Wilson, and Mr.



After three years in opposition, Labour has nothing more original to propose than a mixture of kicks and compensatory ha'pence.

Peter Walker's hankering after the creation of large banks d'affaires is one answer which might emerge from Mr. Wilson's inquiry into capital markets.

French ideas on planning impressed Mr. Maudling long before Mr. George Brown's first unhappy attempt to emulate them. Only the investment side of the merchant bank and the Enterprise Board, borrowed from Mussolini's IRI, would be unacceptable in form to Tory prejudices (though not really in substance, as Mr. Harold Lever spotted when he pointed to Mr. Chataway and said: "The Minister is a bank").

which Mr. Wilson's answers are offered have a long history and worry all Governments. Ever since Keynesian management became the post-war norm, Governments have been worried by the difficulty (appreciated by Keynes but not by his followers) of influencing new investment, and more recently of organising investment-led growth.

The de-stabilising influence of free credit in speculative markets has been recognised since the South Sea Bubble, and Mr. Wilson's notion of tight margin requirements dates back to Franklin Roosevelt and beyond. The need to stabilise the flow

of housing credit is now recognised as clearly by the Government as by Mr. Wilson, and the Government started to reimpose lending priorities before Mr. Wilson talked about them.

Questions

On two issues—land and the power of multi-national companies—Mr. Wilson does raise questions which the Conservatives prefer to forget. But his answers are neither clear nor original. Land is tackled by a mixture of nationalisation and taxation, both dating back to the last century. The public

ownership proposals appeal to Labour's statism, but impose costly problems of administration and compensation.

The cheaper, more direct proposal to "nationalise" rentals through taxation is in the Liberal programme, and has been enacted by far from Socialist regimes in South Africa, Australia and the State of New York, among other places. The confrontation of multi-national companies with dirigiste powers—a crude back at a Gordian knot—has been practised for years in Japan, France and Italy.

Now this listing of Mr. Wilson's preoccupations does not serve only to put him back in the centrist mainstream where he temperamentally belongs; it may also help to show how irrelevant the much-publicised proposals for public ownership are to most of these questions.

The real questions are those of control and of the malfunctioning of markets—essentially in the areas of development, investment and the regions, and the speculative edges of commodity and money trading—where fears lead to self-justifying and trends self-reinforcing. To these Mr. Wilson provides an interventionist answer in every case, just as Mr. Heath does; and if Mr. Wilson's programme looks more formidable, experience of the man suggests that he would prove a less forceful interventionist than Mr. Heath.

are much more interesting than the answers.

On industrial control, for example, Labour's message is totally confused. Parliamentary answerability, an admitted failure in the nationalised industries which are now to be "democratised," is put forward as the great justification for the new interventionist proposals. If this is intended seriously, it must mean that the proposed State financing agencies would be subject to all the day-to-day constituency pressures and candle-ends accountability which make bureaucracy the sullen, timid creature it is.

Strategies

This is a sad example of miscegenation, the offspring of two basically sound ideas: better Parliamentary control of economic objectives, and a State agency to nudge financial markets and investment decisions in the appropriate direction.

What is more, a better understanding is available within the party: Mr. Stuart Holland and others in the public enterprise group have shown how great a strength of such institutions as IRI in Italy and the French State-owned banks is an operational independence which enables them to pursue strategies longer in time-scale than the life of Governments.

Take the question of speculation, the unacceptable face of capital markets on which Mr. Wilson dwells so lovingly. His proposal for cash settlements would at least serve to bring future transactions under the general restraint of monetary policy; but what kind of monetary policy?

Mr. Wilson proposes a system of leading priorities, which so far as it works at all imposes a rather weak price discrimination.

tion against the kind of borrowing which is not officially encouraged. Labour leaders have recent enough experience of power to know the difficulties of actually imposing priorities on lending—of knowing, for example, the purpose of a loan.

They know the cost in interest rates, generally of trying to control the growth of credit purely at the lending end. Yet there is not a breath of the idea of operating on the demand side by taxing those activities deemed unconstructive or inflationary—a market economics answer that should appeal to Labour.

The examples could be multiplied: the muddle over housing policy, where Labour still has not grasped the point that subsidising demand drives prices up instead of holding costs down; the muddle over the stock market—deplored, but fed not only with compensation money but by a State unit trust; the muddle over the whole purpose of public enterprise—a monopoly in the docks and perhaps in transport, but free to compete in other fields.

The impression grows that, so far from taking a great lurch into Radicalism—which implies clear if over-simple answers to clearly stated problems—the Labour Party, judged by its economic programmes, remains very much the creature we all knew in the 1960s, worrying at age-old questions and attached for the most part to age-old answers.

Samuel Brittan has taken up a temporary Fellowship at Nuffield College, Oxford. He will continue to contribute to the Financial Times' The Economist Viewpoint column for the next year, which will be shared between Samuel Brittan and Anthony Harris.

Labour News

Co-op workers may test case rises

ROGERS, LABOUR CORRESPONDENT

CO-OPERATIVE workers, who received payments of between £3.50 a week for the increases were with last year's pay have part or all of their claims against future

was a Pay Board ruling agreed settlement for co-operative workers must be 10p a week for 31 years in Phase

was reported to the Friday, together with notice of the Board's decision to make an order for a 10p increase. It is based on the fact that the laundry and sum payments—reduced from a test court—breached the Gov. £1 plus 4 per cent. added in a £1.88 due from the end of

Allen, general secretary of Shop, Distributive and Allied Workers' and TUC chairman, yesterday at this treatment paid.

pay-offs to-day in Kodak dispute

DEL HOWELL, LABOUR REPORTER

HUNDRED workers at Kodak processing plant at Hemel Hempstead have been sent home on basic pay for the day after a dispute with the Association of Cinematograph, Television and Allied Technicians, which has been the dispute for eight weeks.

promises from Heath Post Office workers

THE Minister was yesterday by leaders of Post Office workers, in the Pay Board's recommendations for pay anomalies for special treatment Phase Three.

of seven Post Office are annoyed that the Pay Board's recommendations would special treatment for civil but would exclude P.O.s—who were themselves Civil Service until four years ago and share comparable

in this week, four white lions stayed a half-day bee stoppage, in protest

Libya talks on oil take-over terms

BY RICHARD JOHNS

INFORMAL TALKS on a compromise formula have been taking place between the Libyan Government and the oil companies contesting the terms of the nationalisation decree of September 1 under which 51 per cent of their assets were taken over by the State.

Libya is apparently prepared to wait until the outcome of the price negotiations between the Gulf members of the Organisation of Petroleum Exporting Countries and the Western oil industry before pressing the issue. Previously, it had set an October 1 deadline for acceptance of its take-over terms with the implied threat of a 100 per cent take-over if they were not met.

As it is, the Libyan Government has laid down that compensation should be on the basis of net book value and the companies should pay a price of \$4.90 per barrel for crude oil purchased from the State's share of "frozen" oil through earlier this week Mr. Izzeddin al-Mabrouk, the Libyan Minister

Unionist moderates to meet Whitelaw

BY RHYS DAVID

UNIONIST ASSEMBLY members who met to-day to go over the ground for Friday's key talks with the other parties on forming an executive, have reaffirmed their basic acceptance of power-sharing.

The meeting picked a delegation to accompany Mr. Brian Faulkner, the party leader, and repeated a number of conditions for Unionist participation, including the demand that the party should have a clear majority in any executive that is formed.

The absence of any new conditions suggests that in the give and take of negotiations, none of the demands made by the Unionists appear to offer insurmountable obstacles to progress on forming an executive.

The delegation includes Mr. Roy Bradford, Mr. Herbert Kirk and Mr. Basil Melver, and this will be taken as an encouraging sign of a moderate standpoint.

The parties will meet Mr. Whitelaw's chairmanship in the old cabinet office at Stormont for a day-long session of talks without any specific agenda, but it can be assumed Mr. Whitelaw will point the discussions in the direction he wishes them to go.

It seems likely that further talks will be held early next week before Mr. Whitelaw leaves to attend the Conservative Party Conference on Wednesday.

During the day one soldier was killed and another seriously injured when a parcel bomb exploded at an army post in Londonderry. It is not yet known if the parcel came by regular mail or in an army delivery, but police in the province warned yesterday that a new wave of letter bomb attacks could be on the way.

SRI LANKA-U.S. FREIGHT RATES TO RISE

The Sri Lanka-U.S. conference has imposed a general freight rate increase of 10 per cent, effective from December 15. The bunker fuel surcharge has been raised to \$2.50 from \$1.50 also effective from December 15. The 3.5 per cent currency adjustment factor is unchanged.

Price Commission resignation

BY ELINOR GOODMAN

THE PRICE Commission has lost one of its two deputy chairmen, Mr. Frank Bernard, who joined the commission only in July, has resigned because of ill-health. A new deputy chairman is expected to be appointed in the next few weeks.

Mr. Bernard, aged 65, a former finance director of IPC Business Press was one of only three full-time commissioners. He was brought on to the commission to strengthen its accounting expertise, particularly in the area of marine control.

His resignation comes at a time when the commission has just had its work load expanded by the addition of the fresh food

tion is already having to recruit new staff. It leaves the commission with six part-time members in addition to the remaining two

If we're a success, we'll be redundant!

It's true. Our job is to encourage firms to move to Peterborough, bringing in new jobs and new people... to expand Peterborough... to make it a better place to live and work. So if you bring your jobs here, we shall probably lose ours.

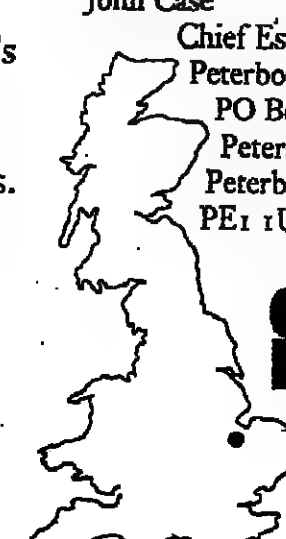
Peterborough has an established workforce of 52,000. Good communications—70 minutes to King's Cross. Cheaper housing—34 miles of motorway being built under a £400m expansion scheme. And 40 new schools. New shopping. Factory Sites. Offices. Leisure centres. All landscaped.

Factory sites—Fully serviced sites up to 100 acres. Finance, design and building service available.

Offices and office sites—City centre (close to cathedral, shops and buses). Bretton (close to Sainsbury superstore and other shops). Thorpe Wood (campus sites, overlooking new golf course and riverside park).

Further information: John Case Chief Estates Surveyor Peterborough Development Corporation PO Box 3 Peterscourt Peterborough PE1 1UJ

Greater Peterborough A place to grow



COMPANY NEWS + COMMENT

Hunting Gibson forecasts over £2m.

The DIRECTORS of Hunting Gibson expect that pre-tax profit for 1973 will be somewhat in excess of £2m. compared with the £1.83m achieved in 1972.

In the first six months profit has advanced from £829,000 to £1,235,000 which included £594,000 on sale of a ship (£242,000 non-recurring, etc., items previously).

Earnings are given as 37.5p against 26.5p per £1 share.

The interim dividend is raised from 5 per cent to 5.25 per cent, gross—5.675 per cent, net.

Previous total was 11.55 per cent. Trading in the second half is proving satisfactory, the directors report, and in addition will reflect the acquisition of the 351 per cent minority interest in E. A. Gibson Fergusson Wild (Shipbrokers) now to be known as E. A. Gibson Shipbrokers.

comment

Hunting's financial results obvious support to outside estimates that project £2.2m. pre-tax profits for the group this year. However, with £2m. as a minimum, the fully-taxed p/e is around 8 net at 30.5p, rising to 10.1 minus the asset sale. Hunting's growth is coming mostly from last year's front-runner, crude oil, but both the broking and industrial painting activities have recovered from last year's dull performances. The high overseas profits content—about 50 per cent—argues for the shares but the market clearly has doubts about the cyclicity of some of the group's activities. Moreover, Hunting still has no tonnage free to capitalise on the present boom in freight rates.

Scottish & Continental Investment

REVENUE before tax of Scottish and Continental Investment Company (the Murray Johnstone managed investment trust which became public on June 16th, 1972) for the period from that date to August 31, 1973, was £421,468.

Earnings per 35p Ordinary share are shown at 1.47p. The

INDEX TO COMPANY HIGHLIGHTS

Company	Page	Col.	Company	Page	Col.
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Dial Secs	25	3	Queen St. Warehouse	25	4
Dunbee-Comber	25	4	Reed & Smith	26	8
European Ferries	27	1	Scottish & Continental	24	1
Fenchurch Insurance	25	1	Sound Diffusion	27	1
Finance and Ind.	26	3	Spirax Sarco	24	4
General Engineering	27	2	Stanwood Radio	24	2
Holt Products	24	5	Unit Trusts	26	3
Hunting Gibson	24	1	Walker (James)	24	3

small dividend foreshadowed is.

Net assets at August 31, 1973, were £12,540,391 and net asset value per share 94.5p on that date.

comment

Higher provisions for depreciation, £178,670 up at £636,386, and finance charges, up £63,711 at £207,068, have lowered first half profits of Stanwood Radio from £132,831 to £103,758, despite stronger trading profit of £947,307, against £730,904. Turnover was £326,000 ahead at £2.54m.

The directors say, however, that to date second half turnover is higher and they are confident the results for the current year will show a satisfactory improvement over the £374,244 for 1972.

The interim dividend is raised from 5 per cent to 5.25 per cent, gross—5.675 per cent, net. Last year's payments totalled 10.5 per cent.

The directors explain that the substantial increase in depreciation and cost of finance reflects the continuing high level of investment in colour television business on rental terms. Rental income is increasing rapidly and should soon reach a level at which

additional borrowing to finance new business will be reduced.

The change from purchase tax to VAT tended to disrupt the normal flow of business in the first half, but trading has now settled down again, they add.

comment

Stanwood's dedicated interim profits are the result of sluggish second quarter (post VAT) sales plus the cost of expanding a rental division with an element of colour now up to 58 per cent of total subscribers. Currently cash sales are back to buoyancy and so too are HP contracts, and with three retail outlets coming into play this year the current half should see Stanwood back to growth. Taking £320,000 pre-tax for the year (which is plus 17 per cent) the full year net p/e is under 10 at 65p, down 3p yesterday.

Statement Page 27

Jas. Walker £1.38m. for nine months

TAXABLE PROFIT of James Walker Goldsmith and Silversmith for the nine months ended April 30, 1973 was £1.38m. For the year to July 31, 1972 the figure was £1.1m. Earnings per 25p share are higher at 6.22p, against 5.08p, before exceptional items, or 5.99p, against 4.54p, after taking these into account.

The dividend is 2.53p gross, as forecast in May—the maximum permissible for the nine month period. The final is 1.23p, declared as 0.817p net, and a one-for-four scrip issue is also proposed. Last year's payments totalled an adjusted 2.53p gross.

comment

It was the overseas side that was making all the running at Spirax Sarco last year and the indications are that this has also been the case in 1973: the 26.4 per cent proportion of the profits total has almost certainly increased. Measures designed to "unify" the European operations, split out in the last report, have already borne fruit in the first six months with the result that overall pre-tax margins have jumped a point to 12.5 per cent. Historically, the second half has produced the greater portion of profits; working on a 45:55 basis points to a final figure of £1.9m, and a prospective p/e of 13 at 178p, a rating that is already "anticipating a continuation of growth."

Malayalam warns on costs

Mr. F. W. Harper, chairman of Malayalam Plantations, tells members the recent introduction of further increases in salaries and wages will result in higher production costs in the current year.

For the immediate outlook is not encouraging although the expanding internal consumption in India offers a measure of support to the local market.

There has been a temporary rubber surplus in India and the Government has permitted small-scale exports for the first time in 22 years—which should help to reduce current stock levels. It is confidently expected that consumption in India will continue to rise. The company's own output

continues to be sold subject to the controlled price of Rs.2.50 per kg. As reported September 28 group profit, before tax, fell from £1,003,225 to £843,711 in the year ended March 31, 1973. The dividend is held at 15p.

Mr. Harper points out that the results were adversely affected by a large provision for labour gratuity, which could not be claimed for tax purposes until paid. The company has been advised it may now claim tax relief in respect of £158,000 provided for gratuities not yet paid. Further investments in plant, machinery and equipment have been made with a consequent increase in franked income, members are told.

Meeting, Baltic Exchange, E.C., October 23, at 11 a.m.

Chairman's statement Page 29

Spirax-Sarco upsurge

FIRST HALF external turnover of Spirax-Sarco Engineering, specialists in fluid control equipment, has risen by 26 per cent to £6.6m., and taxable profits show a "very satisfactory increase of 37 per cent" to £552,400.

Chairman Mr. A. C. Brown, expects second half results comfortably to exceed the figures for the comparable 1972 period, with another record "undoubtedly" in sight for the year.

All the year's permitted dividend increase is being applied to the interim, to compensate for a delay in payment to January 4 for tax reasons. The declaration is 1.5p per 25p share, equal to 2.71p gross, against 2.4p. The 1972 gross total was 6.35p paid on pre-tax profits of £1.5m.

Mr. Brown comments that the improvement in overall growth rate in both turnover and profit referred to at the annual meeting in May continued throughout the first half. While results of home and overseas sales have been up to expectations, the greater improvement in profitability has come from overseas operations.

Mr. Brown reports that the effect of unification of operations in Europe is now starting to come through and is reflected in the figures.

Order levels, both at home and overseas, continue very satisfactory. However, the chairman points out that difficulties are faced in material supplies and rising costs at home. "We are successfully contending with these and our overseas strength acts as a counter to any impact which Government legislation on prices has on our home business," Mr. Brown adds.

comment

It was the overseas side that was making all the running at Spirax Sarco last year and the indications are that this has also been the case in 1973: the 26.4 per cent proportion of the profits total has almost certainly increased. Measures designed to "unify" the European operations, split out in the last report, have already borne fruit in the first six months with the result that overall pre-tax margins have jumped a point to 12.5 per cent. Historically, the second half has produced the greater portion of profits; working on a 45:55 basis points to a final figure of £1.9m, and a prospective p/e of 13 at 178p, a rating that is already "anticipating a continuation of growth."

Statement Page 30

Maynards makes and pays more

THE CONSIDERABLY higher profit forecast at midway for confectioners Maynards turns out to be £904,187 against £724,594 previously, for the year ended June 30, 1973, struck after exceptional credits of £179,733 (£28,454).

A final dividend equal to 18 per cent, gross—10.5 per cent net



Mr. John Parkin, managing director of Holt Products, which expects profits substantially in excess of those for last year according to yesterday's half-year statement. (See this page.)

DIVIDENDS ANNOUNCED

Company	Current dividend	Date of payment	Corresponding dividend	Total for year	Total last year
Altitude Capital	0.06p	Nov. 27	0.13	0.19	0.38
Altitude Income	1.75p	Nov. 27	2.5	4.25	7.5
Armour Trust	0.95p	Nov. 27	0.9	1.85	0.9
Armontham Eng.	1.3p	Oct. 29	—	1.3	—
A. Beckman & Co.	40p	Nov. 30	—	40	—
Bourne & Hollingsworth	5p	Feb. 14	4.5	9.5	13.6
Brown Bayley Steels Ltd	Nil	—	—	—	—
Bruntans (Musselburgh)	4.0p	Jan. 1	3.5	7.5	10.5
R. Cartwright	1.45p	Jan. 4	1.35p	2.8	2.8
Continental Union Ltd.	0.56p	Dec. 3	0.50	1.06	2.1
Fenchurch Insurance	24.17p	Nov. 9	21.07p	45.24p	30p
Holt Products	10p	Nov. 24	—	10	20
Hunting Gibson	3.25p	Jan. 2	5	8.25	11.55
Philip Knuck	Nil	—	—	—	—
Lawtex	0.2d	Nov. 28	8	8.2	14.7
Maynards	15p	Nov. 23	14	29	20
Norbury Insulation	0.77p	Nov. 2	1.13	1.9	4.8
Reed & Smith	1.4p	Nov. 2	2	3.4	3.3
Scottish & Continental	1.1p	Dec. 6	—	1.1	—
Spirax-Sarco	2.71p	Jan. 4	2.4	5.1	5.5
Stanwood Radio	1.7p	Nov. 23	10	11.7	26.67
Stanwood Radio	5.25p	Dec. 7	3	8.25	10.5
James Walker	1.23p	Nov. 10	2.29	3.52	3.52

*Equivalent after allowing for scrip issue. † Pence per share. ‡ On capital increased by rights and/or acquisition issues: † Net—equal to last year's gross. (a) Gross of 18.917 per cent. (b) For 13 months. (c) Gross of 1p. (d) Gross of 5.74 p. (e) Gross of 0.7p. (f) Gross of 2.5p. (g) Gross of 0.8617p—nine-month period. (h) Gross of 4.3 per cent. (i) Gross of 1.90p. (j) Gross of 2.5 per cent—total of 43 per cent was indicated in September 1972 prospectus. (m) Gross of 3.675 per cent. (n) Gross of 0.6615p. (o) Gross of 10.5 per cent. (p) Made public June 1973. (q) Net, in accordance with terms of Offer from British Dredging.

—lifts the total from 30 per cent. to 21 per cent.

The primary division incurred around £250,000 of identified reorganisation and commissioning costs but full loss of profits cannot be segregated. In addition, due to shortfalls in external steel supplies, it has been necessary to continue to devote a large part of output to supplying the re-rolling mills with less profitable grades of steel. The division, however, has recently shown markedly improved performance and profitability they report.

comment

Although the April price increases were helpful, continued cost inflation has been experienced and price adjustments effective from October 7 will produce a welcome improvement in profitability in the last quarter.

The group is a subsidiary of Brown Bayley which is Government controlled.

REEVE ANGEL

The directors of Reeve Angel International expect results for the year 1973 to show a substantial improvement over the £15,433 pre-tax earned in 1972. In Monday's report on the first-half results, the 1973 profit was inadvertently given as £115,433.

Brown Bayley Steels

IN THE FIRST half of 1973 Brown Bayley Steels has turned in a net loss of £210,000, compared with a virtual break-even position of £1,000. The loss was struck after all charges including reorganisation and commissioning costs of £250,000, and interest of £236,000, and after taking in an extraordinary profit of £250,000 on sale of fixed assets and investments.

There is no interim dividend but the position will be re-examined in the light of the year's results when it is hoped payments can be resumed. For 1972 a 2p per cent (interim only) was paid—there was a net loss for that year of £172,000.

The revalued products division produced "excellent" profits despite steel supply restrictions. However, steelmaking and primary rolling suffered severe interruptions and depressed production due to the capital development programme, the directors explain.

Armour Trust turns in record £1.2m.

IN THE YEAR ended April 30, 1973 profits of Armour Trust expanded by 41 per cent to a record £322,000. The 1972-73 figure does not include any contribution from Tiaz or Glasgow Heritable Trust which ceased to be subsidiaries in the second half.

After tax, minorities and taking in extraordinary credits of £248,000 (£297,000 before tax), there is a net balance of £274,000 against £108,000.

Earnings per 10p share are stated as follows: before extraordinary items—basic—2.85p (12.5p); fully diluted 2.89p (23.8p); and after extraordinary items—basic—5.96p (1.21p).

The dividend is 0.6615p net—equal to 0.945p gross, against 0.9p.

comment

The considerable reorganisation carried out at Armour in the two years has made it virtually impossible to assess accurately just what the group's true pattern was for 1972/73. However, on an almost strictly comparable basis, the full-year profits are shown to have risen by over 41 per cent, before tax, with improvement evenly spread between every division. Both television and collection agencies are currently benefitting from rationalisation and restructuring operations and they are expected to continue to steadily ahead in the current year, though the former could well see a sudden substantial boost.

Profits should the present share of TV sets in the U.K. improve in the near future. The prospects of further profits growth 1973-74 therefore look bright, given the group's recent effort to provide a substantial backing for its shares by buying up its property portfolio development programme (troubled since the year end), a fully-diluted p/e of around 18.4p, is not without support.

£156,454 loss by P. Kunick

A loss of £156,454 was incurred by Philip Kunick in the year April 24, 1973 against a loss of £18,375 after £10,840 tax recovered in 1971-72.

There is no dividend compared with a single 5 per cent interim payment last year.

Turnover fell from £885,278 to £340,466. There was a £21,261 surplus on disposal of R. valuation of leasehold properties and £32,064 surplus on sale of transferred from cap reserve.

Chairman Mr. P. Kunick retired from the Board and M. N. Claff has been appointed non-executive chairman. The group makes ladies outerwear.

Cheadle Heath Cheshire



Location: Cheadle Heath Estate, only 6½ miles south of Manchester, is ideally located close to M56, M6 and M62 motorways. Facilities: 22½ acres for new offices, factories and warehouses built to suit clients. Full medical facilities on site. Grants: Generous Intermediate Area Grants. Communications: Near motorways and only minutes away from Stockport Inter-City expresses and Manchester Airport. For full details telephone 061-428 3600 ext. 3964.

SIMONPROPERTIES division
Simon Engineering Ltd.
Stockport, Cheshire.

The undersigned announces that as from

Thursday, October 11, 1973

there will be introduced to trading on the Amsterdam Stock Exchange

CONTINENTAL DEPOSITARY RECEIPTS ("CDRs")

to bearer

each representing ten shares of Common Stock of US \$2.50 par value each

of

COLUMBIA BROADCASTING SYSTEM, INC.

established in New York, N.Y., U.S.A.

The CDRs are issued by Amsterdam Depositary Company N.V. established in Amsterdam.

The inclusion of these CDRs in the Official Pricelist of the Amsterdam Stock Exchange will be applied for.

The first price at which the CDRs will be traded on the Amsterdam Stock Exchange will be determined on the basis of the closing price of the shares of Columbia Broadcasting System, Inc. at the New York Stock Exchange on October 10, 1973. On the first day of trading the costs of issuance of CDRs will be for account of Columbia Broadcasting System, Inc.

Copies of the Dutch prospectus, of the Deposit Agreement and of an English translation thereof may be obtained free of charge at the offices of the undersigned in Amsterdam, Rotterdam and The Hague, where also copies in English of Columbia Broadcasting System's Annual Report for the year ended December 31, 1972 and of its By-Laws and Restated Certificate of Incorporation are available for inspection by the public and, to a limited number, may be obtained free of charge.

Amsterdam, October 3, 1973.

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Feenchurch Insurance ownturn

before tax and excep-
tions, of the Feenchurch
Holdings group
to April 30, 1973—it is
to April 30, 1972—of £12.5m.
The 12 months to March 31,
1973, would have been
£10.0m, compared with the
£12.5m for the previous year.
The accounting date was changed
to coincide with that of
the company Guinness Peat
Comparative figures for
1971/72 have been
to reflect the new
policy announced in
1972, which takes
shareholders only on busi-
ness has been debited to

BOARD MEETINGS

The following companies have notified
dates of Board meetings in the Stock
Exchange. Stock meetings are usually
held for the purpose of considering divi-
dends. Official indications are not avail-
able. Whether dividends concerned are
interim or final and the sub-division
shown below is based mainly on last
year's practice.

TO-DAY
Lawrence-Advance Laundries, Anglo-
Swiss, Holdings, Associated Bank Pub-
lishers, Boreham Holdings, A. P. Buisson
Clay Cross, Debenhams, Charles Rull of
Stamley, Stanley Miller, Mosaic Crucible,
Stevens International, Warner Writtle and
Newland.
Fleming-Aronson Gear and Engineering,
Bland-Peterson, B.M. E.M. Wall Indus-
tries, London Merchant Securities, London
Shop Property Trust, Northborough
Investment Trust, N.S. Footwear, S.
Simpson.

FUTURE DATES

Bank and Commercial Holdings Oct. 5
Bell (A.) Oct. 9
Bunnell and Paper Oct. 22
Cannock (W.) Oct. 15
Finlay Packaging Oct. 8
Jermolov (S.) and J. Oct. 15
Nathan (S.) Oct. 15
North (M. F.) Oct. 12
Oscar Tinsley Oct. 11
Reverie Parsons Oct. 11
Fisons Oct. 29
Bryant-Peterson Oct. 11
City and Grasschurch Oct. 11
Investment Trust Oct. 11
Pittman Investments Oct. 11
Gomme Holdings Oct. 11
Kwik Saw Discount Oct. 11
Widdowson Hotels Oct. 11
Pershing River Hydro-Electric Power Oct. 9
Rhodesia Cement Oct. 11

look likely to go up in the current
year is investment income. For
the rest, however, a current p/e
of 18.9 at 47p on the 12 months
earnings—coming down to a
figure probably two points above
the sector's prospective rating of
15—has little to offer, especially
with the bigger brokers once
again showing relative weakness.

Clothing side lifts Lawtex to £220,000

Umbrellas and clothing group
Lawtex reports profits up from
£169,737 to £220,000 for the year
ended June 30, 1973. Earnings
per 25p share are shown to be
ahead at 7.7p against 6.5p on
actual distribution basis.
The clothing division has con-
tributed the major growth and
progress is expected to continue
through the current year, the
directors report.

The 1972-73 dividend is raised
from 14 pence to a gross
equivalent 14.7 pence. The
dividend is 3.74 pence net—equal to
8.2 pence gross.
Turnover 1972-73 1971-72
Profit 220,000 169,737
Taxation 56,781 41,207
Net profit 163,219 128,530

ASHBOURNE INVEST.

Ashbourne Investments
announces that since publica-
tion of the preliminary results for
the year ended April 30, 1973, it
has one thing that does

Queen St. Warehouse improves

A TURNROUND from a loss of
£18,915 to a pre-tax profit of
£24,478 is reported for the 24
weeks to July 18, 1973 by Queen
Street Warehouse (Holdings), the
household goods, clothing and
furniture retailers.

And chairman Mr. A. D. Mackay
says there should be a substan-
tial improvement in the second
half, compared with last year's
£18,915, which left pre-tax profit
for the year at £52,598.

He points out that the greater
proportion of the company's profit
arises in the second half.
There is again no interim divi-
dend—the last payment was a
7.5 pence interim in 1966-67.

IN THE six months ended
June 30, 1973, profits of the
Norbury Insulation Group show a
reduction from £408,000 to
£288,000. They exclude profits on
property and share dealing
transactions of £188,000 against
£80,000.

At the meeting in May, chair-
man Sir Edward Beetham told
members to expect current year
profits would be substantially
greater than the record £704,385
of 1972.

Having regard to the overall
economic situation, chairman now
says that he is satisfied with the
level of the group order books.
The interim dividend is 0.7875p
net per 25p share—equal to last
year's 1.125p gross. The 1972 total
was 4.68214p.

Contracts have been exchanged
for the sale and leaseback of a
major property raising about
£300,000 cash. Sir Edward says
that the company has relied on
bank borrowing for acquisitions
and working capital and has taken
advantage of the recent buoyancy
of the property market to reduce
this dependence and lower the
future interest charge.

The group provides thermal and
acoustic insulation services, etc.

Record seen for Dial Securities

Pre-tax profit of Dial Securities
(Holdings) for the period to
March 31, 1973 was £222,189. The
chairman reports all divisions
traded at record levels.

The current year was regarded
as a period of consolidation, the
chairman said, but the level of
activity recorded in the first 26
weeks had proved to be substan-
tially higher in every division
compared with the corresponding
period last year. "We are there-
fore looking forward to another
year of record profits."

Principal activities include prop-
erty investment, development
and construction, with a retail
division specialising in colour TV
peripherals and electrical appliance

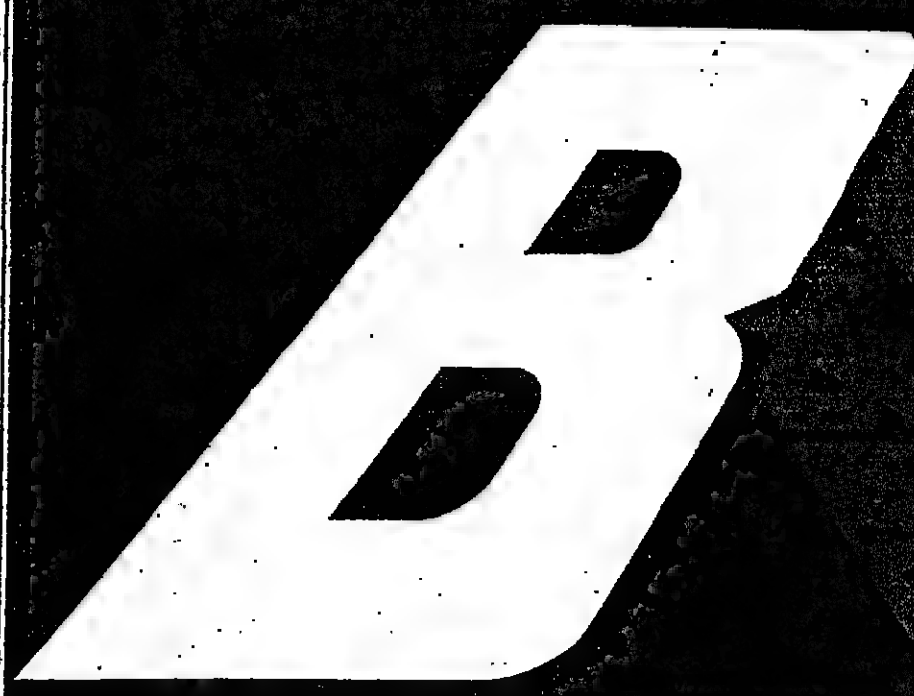
Dunbee-Combex trading well ahead

Chairman Lord Westwood told
the annual meeting of Dunbee-
Combex-Mark (makers of toys,
plastics and toiletries) that current
trading was well in advance of the
record year of 1972 when sales
were up by £10m. over the
previous year.

In addition a number of acqui-
sitions, both in Europe and the
U.K. were under negotiation and
would be announced in due
course.

The six-month figures to June
30, 1973, would be reported in
the next two to three weeks and
would reflect the improved per-
formance of the group, Lord West-
wood said.

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Few British property development
companies have a larger stake in
Europe than Heron Corporation.
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commercial developments in
Paris (Heron have recently
acquired the Figaro
building seen in the
illustration), Brussels,
Madrid, Barcelona,
Geneva and Munich.

MINING NEWS

Greenvale now a year from production

By KENNETH MARSTON

LATEST progress at the huge \$225m. Greenvale nickel project in Queensland is outlined by Metals Exploration, the Australian company which is partnered by America's Freeport Minerals.

Production is still expected to start in a year's time and forward sales contracts have already been arranged, a vital factor in the currently highly competitive nickel market. The output will go to buyers in Japan and Europe and is to be at an annual rate of 54m. lbs of contained nickel and 2.75m. lbs of cobalt in the form of oxides and by-product sulphides with a value of about \$37m. (\$25m.).

Based on known reserves of 44m. short tons grading 1.37 per cent. nickel, the mine will have a life of 20 years and the Queensland Government is to obtain in freight charges alone a minimum profit of \$45m. over this period. Crushed ore will be transported to the treatment plant at Townsville via a 140-mile railway. The eight major bridges that this will cross are, nearing completion while the minor bridges are more than 75 per cent. done.

Metals Exploration takes the view that world nickel consumption will double in the next 10 to 15 years and in order to meet this demand another 20 mines of the Greenvale size will be needed to be brought to production in the next decade, at a cost of up to \$500,000. (\$2,000m.).

In the meantime Greenvale, as an average cost producer, expects to become progressively more competitive as an increasing supply of the world's nickel is drawn from the future higher cost mines.

It is a solemn thought that if Australia's present strongly nationalistic Labour Government had been in power during the mid-1960s it would have sold the Greenvale site to the U.S. Freeport company's presence and Greenvale might well have been left on the shelf for lack of funds.

Sadly, Australia's discouraging attitude towards the mining industry has depressed share prices. And Metals Exploration at the cum-premium level of 55p equal a market capitalisation for the area of \$113m., far more than in the days when it was still very uncertain whether Greenvale would be taken to production.

AFRIKANDER LEASE HOPES

At yesterday's meeting of Afrikaner Leasing, the chairman, Mr. Ian Mackenzie, said that for negotiations with Anglo American Gold Investment on the amalgamation of various mineral rights are reaching an advanced stage, reports Mr. Johannesburg correspondent, Mr. Mackenzie hopes it will be possible to make a further announcement shortly.

Some months ago, Anglo and Afrikaner disclosed that they were having talks about merging their uranium interests to the west of Klerksdorp, Afrikaner, controlled by Central South African Land, has been regarded from the future higher cost mines.

However, Johannesburg observers note that the Anglo American group rarely bothers to involve itself in anything small and the speculation is that it is now moving to tie up a substantial area of low grade uranium-bearing ore, perhaps suitable for exploitation on a large scale or possibly in conjunction with nearby Vaal Reef mine.

ROUND-UP DENISON IN THE ENERGY FIELD

As chairman of Canada's Denison Mines, Mr. Stephen Roman can speak with authority on the company in his address to shareholders of Roman Corporation, which now owns 1.17m. shares in Denison. Last year Denison produced almost 4m. lbs

BIDS AND DEALS

£1.3m. SGB American merger plan

SGB Group is planning a major reorganisation of its U.S. and eastern Canadian interests by merging with its main U.S. distributor in a £1.25m. cash and share deal.

This will involve SGB Steel Scaffolding and Shoring Co. Inc., the U.S. subsidiary, acquiring Universal Builders Supply Company, the U.S. distributor for SGB, together with assets owned by H. A. and Mr. R. O. O'Callaghan, representing 40 per cent. of a joint venture, SGB Epic, and assets owned by UBS, representing 40 per cent. of another joint venture, SGB Universal, in Canada.

UBS manufactures and supplies concrete accessories and is also the main distributor for SGB Epic, supplying heavy duty scaffolding for support work on rental.

Of the consideration, \$900,000 is in cash, with \$207,000 being paid over two years. In addition shares in SGB Group's U.S. subsidiary will be issued, representing 50 per cent. of the total equity of that company, and having a book value of about \$270,000.

Based on the last audited accounts with appropriate adjustments, net profits relating to the assets acquired were in excess of \$270,000.

Mr. H. A. O'Callaghan Jr. and Mr. R. O. O'Callaghan, who are present managing UBS and are the managing partners of both joint ventures, will be appointed president and secretary/treasurer of the combined operation.

FINANCE AND INDUSTRIAL

Sir Graham Rowlandson, chairman of the Finance and Industrial Trust, told shareholders at the annual meeting he was confident that the next accounts would once again show a record profit.

SHARE STAKES

First National Finance bought a further 62,000 shares in Birmingham Ordnance on September 28 bringing its total holding to 333,723 (26.68 per cent.).

Harrisons and Crossfield has acquired 28,740 Patrolling Rubber shares making its total interest 1,468,848.

Yellverton Investments has informed Finance and Industrial Trust that on October 2 it held 131,000 Ordinary shares in Finance Industrial (about 12.15 per cent.).

UNIT TRUSTS

Bid for Surinvest

MR. JOHN ORMONDE'S unit trust and portfolio management group, Surinvest Holdings, has received a bid valuing the company at about \$10,000.

The offer—51p a share, cash, or accompanied by a cash alternative—has come from Parambe, a former rubber company reorganised into an investment concern. Parambe has recently been building up a stake in Surinvest and already owns 33.3 per cent. of the company.

The Surinvest Board says it does not oppose a bid in principle, but holders are advised to take no action until the directors have considered the position more fully.

In fact, it is likely that Mr. Ormonde and his fellow directors will seek a higher price. Mr. Ormonde said last night that he and his family owned something over 20 per cent. of the equity.

The Surinvest unit trust has some £8m. of funds and Mr. Ormonde maintained that it was expanding at a "phenomenal rate". In addition there is between £2.5m. and £3m. tied up in portfolios under management. Added to this is over £400,000 of cash. Parambe has stated that it does not contemplate any changes in the investment management of the Surinvest group if it gained control.

However, Mr. Ormonde would not say whether or not he would remain with the company under Parambe's control.

Surinvest has launched a new scheme yesterday for clients of its private portfolio management service. The main feature of this is a 5 per cent. annual income plus a 12 per cent. per annum for base-rate taxpayers. The minimum investment is £500 and the guaranteed surrender value or policy benefit is 95 per cent. of the single premium plus compound interest at 5 per cent. per annum.

Whitecroft £1.7m. lease back sale

In a £1.7m. cash deal, Whitecroft has contracted to sell the freehold of its Blackfriars House, 227, 229, 231, 233, 235, 237, 239, 241, 243, 245, 247, 249, 251, 253, 255, 257, 259, 261, 263, 265, 267, 269, 271, 273, 275, 277, 279, 281, 283, 285, 287, 289, 291, 293, 295, 297, 299, 301, 303, 305, 307, 309, 311, 313, 315, 317, 319, 321, 323, 325, 327, 329, 331, 333, 335, 337, 339, 341, 343, 345, 347, 349, 351, 353, 355, 357, 359, 361, 363, 365, 367, 369, 371, 373, 375, 377, 379, 381, 383, 385, 387, 389, 391, 393, 395, 397, 399, 401, 403, 405, 407, 409, 411, 413, 415, 417, 419, 421, 423, 425, 427, 429, 431, 433, 435, 437, 439, 441, 443, 445, 447, 449, 451, 453, 455, 457, 459, 461, 463, 465, 467, 469, 471, 473, 475, 477, 479, 481, 483, 485, 487, 489, 491, 493, 495, 497, 499, 501, 503, 505, 507, 509, 511, 513, 515, 517, 519, 521, 523, 525, 527, 529, 531, 533, 535, 537, 539, 541, 543, 545, 547, 549, 551, 553, 555, 557, 559, 561, 563, 565, 567, 569, 571, 573, 575, 577, 579, 581, 583, 585, 587, 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1987, 1989, 1991, 1993, 1995, 1997, 1999, 2001, 2003, 2005, 2007, 2009, 2011, 2013, 2015, 2017, 2019, 2021, 2023, 2025, 2027, 2029, 2031, 2033, 2035, 2037, 2039, 2041, 2043, 2045, 2047, 2049, 2051, 2053, 2055, 2057, 2059, 2061, 2063, 2065, 2067, 2069, 2071, 2073, 2075, 2077, 2079, 2081, 2083, 2085, 2087, 2089, 2091, 2093, 2095, 2097, 2099, 2101, 2103, 2105, 2107, 2109, 2111, 2113, 2115, 2117, 2119, 2121, 2123, 2125, 2127, 2129, 2131, 2133, 2135, 2137, 2139, 2141, 2143, 2145, 2147, 2149, 2151, 2153, 2155, 2157, 2159, 2161, 2163, 2165, 2167, 2169, 2171, 2173, 2175, 2177, 2179, 2181, 2183, 2185, 2187, 2189, 2191, 2193, 2195, 2197, 2199, 2201, 2203, 2205, 2207, 2209, 2211, 2213, 2215, 2217, 2219, 2221, 2223, 2225, 2227, 2229, 2231, 2233, 2235, 2237, 2239, 2241, 2243, 2245, 2247, 2249, 2251, 2253, 2255, 2257, 2259, 2261, 2263, 2265, 2267, 2269, 2271, 2273, 2275, 2277, 2279, 2281, 2283, 2285, 2287, 2289, 2291, 2293, 2295, 2297, 2299, 2301, 2303, 2305, 2307, 2309, 2311, 2313, 2315, 2317, 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INTERNATIONAL COMPANY NEWS + EURO MARKETS

Dow ready to build Australian complex

By Our Own Correspondent

CANBERRA, Oct. 3. DOW CHEMICAL Australia has announced plans, subject to Government approval, for a \$3,300m. petrochemical complex at Redcliff, in South Australia. Mr. C. D. Goodchild, managing director of the company, said that with the successful completion of planning, including feasibility studies, over the past two years, development proposals had been put to both the South Australian Government and the hydrocarbon producers of the Cooper basin in the far north of the state.

Mr. Goodchild said the complex envisaged would be one of the largest of its type in the world, producing caustic soda, materials for plastics production, and chemicals used in production of urethane foam and synthetic rubber.

Two leading Japanese producers of polyvinyl chloride plastic, Kaneuchi Chemicals and Japanese Zoon, would participate as shareholders and customers in one of the plants. In addition to conforming with Australian Government policy, Dow would build a refinery at Redcliff to produce motor spirit from LPG. Mr. Goodchild said that Dow proposed to offer substantial direct equity participation to Australians in the Redcliff project and there would be heavy emphasis on ecological preservation and application of the Dow group's latest technology.

Profits rise at Swedish Cellulose

By John Walker

STOCKHOLM, Oct. 3. SWEDISH Cellulose group turnover has risen by 26 per cent. during the first eight months of this year to 1,175m, compared with the same period in 1972, according to an interim report. Profits before tax and appropriations also showed a strong increase, by going up to Kr.130m, compared with Kr.22m. last year. The company states that the marked improvement in trading so far this year is due to some extent to higher deliveries as well as increased prices for newsprint. Other factors include higher deliveries as well as higher prices for kraft liner and a rise in sawn wood deliveries coupled with a price increase to about double last year's level.

Based on past experience, the company says, the autumn period gives more than a proportional increase in turnover, and is expected to be much higher than forecast.

Mitsubishi meat move

MITSUBISHI CORP.'s Australian subsidiary, Mitsubishi Australia, has acquired about 68 per cent. of Killara Pty., an Australian meat supplier which has increased its capital to \$630,000 from \$420,000. The capital participation is aimed at securing beef supplies for Japan.

Killara cattle to have 2,000 head of cattle for raising by June of next year and 7,000 head within five years.

● Hanlrex profits in the year ended June 30 rose to more than \$2.04m, from \$1.31m. The dividend is held at 20 per cent.

VW faces the crunch in decision on U.S. plant

BY NICHOLAS COLCHESTER, U.S. FINANCIAL CORRESPONDENT

NEW YORK, Oct. 3.

VOLKSWAGENWERK OF West Germany has now reached a crucial state in its decision whether to build a car assembly plant in the U.S. The urgency of its dilemma was heightened yesterday when it announced a drastic 14 per cent. increase in the U.S. price of its cars. This was the highest price increase in the car company's history and was the fourth price increase so far this year.

During 1973 the price of the basic Beetle model has increased from \$1,999 to \$2,625. This 31 per cent. jump faithfully represents the fact, reported by Volkswagen yesterday, that "the dollar has lost one third of its purchasing power in Germany since the first of the year."

The price of \$2,625 almost puts the Beetle out of the small car price bracket in which it has

made the running for so long. The Chevrolet Vega is now priced at \$2,237 and the Ford Pinto at \$2,292. Relatively impartial observers in the U.S. motor trade do not see how the Beetle phenomenon can continue with this sort of price discrepancy at a time when the American public has become so price conscious.

The Wall Street Journal reports today that a high level team of Volkswagen executives left for Germany three days ago after a two and a half week tour of the U.S. During their visit the executives held meetings with Union Auto Workers Union officials and key component suppliers, and left the impression that VW was now "rather serious" in its plans for a U.S. plant.

Yesterday Volkswagen stated from Wolfsburg that the price advantage now enjoyed by U.S.

small cars presented it with an "enormous competitive disadvantage." Beyond the incentive of price, the labour shortage in Germany is said to be another reason why VW should move part of its assembly overseas.

If VW does follow Volvo of Sweden to the U.S. it will have to decide which of its models to manufacture over here. At the moment about one third of Volkswagen's output is shipped to the U.S. and 75 per cent. of the shipped cars are Beetles. Yet observers here do not think that Volkswagen will build the Beetle in the U.S. because it is a car whose life-span is already straining credibility. There are rumours that Volkswagen will introduce its Beetle replacement next year and that it could be this car, or the "Passat" already on sale in Europe—that may be the first U.S.-made Volkswagen.

Renault misses the boom

BY RUPERT CORNWELL

PARIS, October 3.

THE SIX-WEEK strike at Renault this spring cost France's biggest car manufacturer 80,000 units of output, and was enough to make the difference between a good and a merely indifferent year. Renault President M. Pierre Dreyfus said today.

Speaking at the company's annual general meeting, Mr. Dreyfus sounded a warning that the strike losses and the ensuing drop in Renault's market share might prove very hard to regain. The company's sales on the French market had grown by only four per cent. in the first eight months of this year, against an expansion of 9.5 per cent. for the market as a whole.

The same trend is reflected in the group's production figures. In the first three months output was running at 10 per cent. above the levels of 1972, but after the strike, in the first nine months,

the increase had dropped to 5.9 per cent. All the group has so far manufactured 988,000 cars for the same period of 1972. For private cars alone, the figure was 916,000 against 865,000.

As usual, it has been the export market that has made up for the shortcomings of the home sector. Sales abroad jumped almost 17 per cent. to 802,000 and the group is the leading importer in West Germany with 7.3 per cent. of the market, and has only narrowly, and Mr. Dreyfus hoped temporarily, been topped from the position in Britain by Datsun.

On the investment front the group is aiming at a target of Frs.1,000m. (136m.) spending per year. That would be slightly higher than the 964m. of 1972, but considerably less than the Frs.1,300m. (111m.) the previous year.

However on other aspects of Renault's policy M. Dreyfus was less explicit. He defended the group's shyness so far of working closely on the Wankel rotary engine, which consumed 35 per cent. more petrol than an ordinary engine, had arrived at a time when supplies of crude oil were relatively less abundant. But, he added enigmatically, "we are always interested."

He was also cautious on the group's plans for the U.S. So far Renault had made relatively little impression there, but he left open the possibility that the company might, like Volvo, take the plunge and commit itself to a manufacturing plant if a trend among really small cars, smaller than the existing "subcompacts," strongly developed.

HDW wins £170m. tanker order

BY MALCOLM RUTHERFORD

BONN, Oct. 3.

THE LARGEST shipbuilding order ever placed with a West German yard has been won by Howaldtswerke-Deutsche Werft (HDW) of Hamburg and Kiel. The order, worth nearly DM1,000m. (£170m.), is for four ultra large crude carriers, each of 470,000 deadweight tons, and three from a group of Norwegian lines. They will be the biggest tankers ever to be built in Germany.

An HDW spokesman said today that it was an enormous vindication of the decision announced by the supervisory board last week to build a DM300m. drydock at

Kiel which will allow the company to build tankers of up to 700,000 d.w.t. It takes orders in hand up to 5.3m. d.w.t. and, in value, to DM4,300m. Work in the yards is now assured until almost the end of the decade.

HDW sources said that in view of the size of the order books, future orders might well be placed in other European yards in order to get faster delivery. Shipbuilding, in fact, has played a major role in raising West German export orders in the course of this year.

The new HDW orders come from Haver (P. Meyer) of Oslo, Smedvig-Tankreder of Stavanger and two of them from Tankreder also of Oslo. The first two are for delivery in 1977 and the others in 1978. They are also the largest tanker orders ever placed by Norwegian shipowners.

HDW points out an additional advantage that with a depth of 73 feet they will be able to use the most important European harbours. They will be 390 metres long and 71 metres across. Shaft horsepower will be 80,000.

Rescue plan to switch Finnare to cargo

BY PETER TUMIATI

ROME, October 3.

THE ITALIAN Merchant Marine Minister, Sig. Giovanni Plescia, has disclosed that talks are in progress with the seamen's unions to allow the fleet for their future employment. Last week the Treasury Minister, Sig. Ugo La Malfa, said in an interview that the best thing to be done with the State-owned Finnare passenger ships would be to sink them.

Finmare belongs to the IRI State-controlled group. Its fleet amounts to about 700,000 tons and includes the Michelangelo and the Raffaello of the Italia line and the Gaillie and Marconi of the Lloyd Triestino are not yet 10 years old they are regarded as hopeless white elephants, like nearly all of Finmare's ships. The Finmare fleet's deficit this year will amount to about \$8m. which the Government is being asked to pay.

The plan now is to scrap the liners which cannot be usefully employed, particularly for cruises, and replace them with cargo ships. The Merchant Marine Minister has said that Finmare's subsidy is almost exactly matched by the amount of foreign currency which has to be paid to non-Italian merchant ships carrying Italy's imports and exports.

Dividend cut at Goodyear

GOODYEAR TIRE and Rubber Co. has said that despite record sales during the third quarter, earnings for the same period will be below the 1972 quarter. This is because the company was unable to recover increased costs due to the price freeze.

Labour costs increased 7.2 per cent. on July 1 under the new three year contract signed with the United Rubber Workers. In addition, the union went on strike at the company's largest tyre plants at Union City, Tennessee, and Gadsden, Alabama, during the third quarter.

Other factors affecting the company's third quarter earnings included increased cost of raw materials, particularly natural rubber and soaring interest rates. The Cost of Living Commission has permitted only one half of the cost-justified price increase was difficult to understand, the company commented.

Peabody-United-Kuhlmann reports a rise in net earnings for the year to June 30 of Frs.39.2m. (58m.). The company is paying a net dividend of Frs.6 (5.50).

● Prietel reports estimated 1973 first-half profits before tax of Frs.13.2m. (12.5m.).

Salomon records \$6.6m. loss

By Nicholas Colchester

NEW YORK, Oct. 3.

SALOMON BROTHERS, the Wall Street investment bank that has by past reputation provided its partners with some of the fastest paychecks in the business, today announced a pre-tax loss of \$6.6m. in its year ended September 30. In the previous year the bank made a profit of \$2m.

The lean year that Wall Street has just suffered is reflected in Salomon's revenue figures which dropped from \$203.5m. to \$154m. The Managing Partner, Mr. William Salomon, said that he thought the main reason for his company's loss were reduced trading volume and low securities prices caused by the "apparent erosion of confidence demonstrated by public apathy towards the market."

The company's net worth fell from \$130.7m. to \$122.7m. But Mr. Salomon said that his firm's ratio of debt to liquid capital was 2.4:1, "possibly one of the lowest of any major member of the Stock Exchange."

The deficit was Salomon's first since 1956. The company, nevertheless, managed to pay its employees a bonus of about 40 per cent. of the bonus they received in 1972.

European Investment Bank \$50m. issue possible

BY MARY CAMPBELL

NEW YORK, Oct. 3.

DISCUSSIONS ON a dollar denominated Eurobond issue by the European Investment Bank are believed to be nearing completion. The amount of the issue is expected to be around \$50m. and the coupon not higher than 8.25 per cent.

The European Investment Bank recently launched the Euro as a vehicle for international bond issues. The coupon on this issue was 8 1/2 per cent. There are two other dollar issues currently in the market: the \$60m. issue announced last week for Scandinavian Bank and the \$50m. issue for the National Coal Board. These two issues both carry coupons of 8 1/2 per cent.

While the Skanska issue has reportedly gone very well, it is too early for any assessment of the success of the NCB issue.

A \$6m. loan to build a hotel in the Bolivian capital La Paz is now completed. The borrower is the Hotel Crillon and it is guaranteed by the Banco del Estado. The maturity is 7 1/2 years.

Of the \$6m. total, \$1m. is being provided in Canadian dollars under the guarantee of the Canadian Export Develop-

ment Corporation. This is the first time the E.D.C. has participated in the form of a guarantee in an international financing. Loeb Rhoades said as manager of the loan.

The British UDS Group (formerly United Drapery Stores), is to borrow Sw.Frs.55m. (about \$18m.) by means of a private placement in Switzerland. The notes, to be issued at par, will have a maturity of five years and will carry a coupon of 7 1/2 per cent. The managing group for the placement is headed by Union Bank of Switzerland.

BONN, Oct. 3. THE WEST German Federal Railways will float a DM400m. loan on the domestic capital market next week. Finance Ministry sources indicate.

This issue will be followed by a loan of about DM500m. each from the Federal Post Office and Federal Government. It is understood.

There will be no new State loans to follow the DM200m. offering from the State of Baden-Wuerttemberg which was placed on sale at the beginning of this week.

Second Pierrel rights issue

By Anthony Robinson

ROME, October 3

PIERREL, one of Italy's major pharmaceutical companies, proposes its second rights issue for 1973. This has been a year of "satellite" performance for the company, and the desire to distribute part of the sum to shareholders is seen as a view of the less favourable treatment foreseen in forthcoming company and direct tax reforms.

The Board proposes to distribute one nominal Lire 60 share for every 10 shares held with dividend rights as from January 1, 1974. This is similar to the free issue approved last April 30 which approved the one-for-one issue of 784,350 new shares.

Recently Pierrel made a agreement with Unilever Italian for co-operation in the special diet baby food field on experimental basis. Pierrel reports that both sides consider the co-operation to have been successful for full scale production should be started later this year initially for distribution through medical outlets and subsequently through direct retail outlets.

Company Results

Xerox raises quarterly dividend

● Xerox has raised its quarterly dividend to 25 cents from 23 cents. It said the increase appears to be the maximum consistent with the recently announced dividend guidelines for 1974.

● Metrolink Electric Industrial expects sales for the year to May 30, 1974, to rise 14 to 15 per cent. over the previous year's 1973.

● Managing director Masaji Hino said gross profits may show a slightly lower growth reflecting higher raw material costs, although net earnings, after deducting the cost of research and development, would be improved. He also indicated the company might pay a higher dividend to celebrate its 35th anniversary.

● Metallurgie Robohome-Overpeit expects profits for the year ended September 30 will show a "fairly appreciable improvement" over the previous year's 1972. The company says no precise figures are yet available but the past year was marked by increased demand for non-ferrous metals and high prices for the raw materials were sufficient to ensure sustained activity in all the company's divisions.

● Societe Francaise des Telephones Ericsson reports first half net earnings of Frs.10.4m. (Frs.2.2m.). Sales rose 36 per cent. to Frs.261.6m. The company expects for all 1973 to "substantially" exceed Frs.50m. and sales to be more than Frs.500m. Last year, it reported net earnings of Frs.23.3m. on sales of Frs.450m.

● Pierrel-Lesby reports net earnings for the year to June 30 of more than Frs.12.156m. (Frs.11.658m.). The company is paying a net dividend of Frs.3.50 (Frs.2.73).

● Denain-Nord-est-Longuey reports first-half net earnings of more than Frs.9.55m. (Frs.9.38m.).

● Seichime subsidiary of Peabody-United-Kuhlmann reports a rise in net earnings for the year to June 30 of Frs.39.2m. (58m.). The company is paying a net dividend of Frs.6 (5.50).

● Prietel reports estimated 1973 first-half profits before tax of Frs.13.2m. (12.5m.).

● Sanyue de la Construction et de l'Industrie reports first-half profits before tax of Frs.21.8m. (23.7m.).

Other News

Mutual directors ban on GE and Chrysler

● The U.S. Federal Trade Commission (FTC) tentatively adopted a consent order prohibiting General Electric from having directors who also serve on the Board of Chrysler.

The order would require GE to file a plan of divestiture with the FTC within 30 days of the order. The plan would have to show how GE would divest itself of its interest in Chrysler.

● The FTC order also requires GE to file a plan of divestiture with the FTC within 30 days of the order. The plan would have to show how GE would divest itself of its interest in Chrysler.

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of the U.S., employs some 2,500 workers producing heavy-duty earth-moving equipment. Gosselin, the largest Caterpillar plant outside U.S.

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Hambros Bank Limited and The Mitsui Bank Limited

have pleasure in announcing the establishment of

Hambro-Mitsui Limited

Managing Directors:
Simon Woodroffe Mikihiko Banno



Hambro-Mitsui

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Swiss banks branch curb

THE SWISS Finance Minister Mr. Nello Celio has warned leading Swiss banks that restrictive measures will be taken if they continue to open branch offices at the same rate as in the past few years.

This form of expansion is undesirable and detrimental to the economy," Mr. Celio said. He pointed out that the opening of unnecessary branch offices was putting further pressure on the tight labour market and caused superfluous credit expansion.

Answering a question by a Member of Parliament, the Finance Minister said that present laws did not permit the Government to take action against the opening of branches. He warned the banks, however, that public pressure would lead to the creation of such laws if the large banks did not stick to their recently concluded informal agreement by which they promised to refrain from opening new offices until mid-1977.

The four leading Swiss banks with numerous branch offices are Union Bank of Switzerland, Swiss Bank Corp., Swiss Credit Bank and Swiss Volksbank. AP-DJ.

This Advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to the public to subscribe or purchase any shares.

Columbia Broadcasting System, Inc.
(Incorporated in New York, United States of America)

Authorised 50,000,000 Shares of Common Stock Issued 28,988,756 \$2.50 par value

The whole of the shares of Common Stock in issue on 1st September, 1973 have been admitted to the Official List by the Council of The Stock Exchange.

Particulars relating to the Corporation are available in the Extel Statistical Services and Moodies Statistical Services and copies of the statistical cards may be obtained during normal business hours on any weekday (Saturdays excepted) up to and including 19th October, 1973 from:-

First Boston (Europe) Limited
33 Old Broad Street,
London, EC2N 1DE.

Cazenove & Co.,
12 Tokenhouse Yard,
London, EC2R 7AN.

Astaire & Co.,
Limited
117 Bishopsgate,
London, EC2M 3TD.

COMMODITY ANALYSIS

50p a parcel

THE GENERAL ENGINEERING CO. (RADCLIFFE) LTD.

The 36th Annual General Meeting of the Company was held in Radcliffe on 3rd October, 1973.

The following is a summary of the Chairman's Review—
ACCOUNTS: The increased activity of the second half-year is not apparent from the published profits owing to absorption of the loss in the first half due to lost production, and to an exceptional build-up of year end work in progress from which subsequent periods benefit. Turnover thereby restricted but value of production near 15m. forecast.

Since January all Divisions at full pressure with continuing high order level.

OVERSEAS: Exports £2m. Heads of agreement reached for new cable factory for export £14m.

Further development of U.S.A. market planned with own unit there and order position promising. Selling and service nucleus established in West Germany.

DEVELOPMENT: Extensive plant requirements satisfied during the year at exceptionally low cost. Considerable further product development.

DIVIDEND: Increased to 0.6p net (84% gross, 1972 74%).

OUTLOOK: Very encouraging assessed from 1973 upsurge. Margins satisfactory and little prospect of Phase II profit limitation in view of high reference level and exports. Given continuity of reasonably stable operating conditions 1973/4 should show marked recovery to higher profit levels of earlier years.

Salient points from Accounts to 31st March, 1973.

	1973	1972
Turnover	4,453,763	4,325,613
Trading profit	300,713	348,665
Interest paid	181,449	157,867
Taxation	31,000	—
Profit after taxation	88,264	190,796
Earnings per share	1.30p	2.40p
Dividend per share—net	0.60p	0.46p
Tangible assets per share	21p	22p

Copies of the full Report and Accounts are available from the Secretary, Station Works, Bury Road, Radcliffe, Manchester.

Danger money

You can't put a price on bravery. So you'll find the essential life-boat service is made up of volunteers. But vitally needed boats cost money. So does equipment and full-time maintenance.

No life is cheap. Please send what you can to the R.N.L.I. Finance Officer, Room 80 42 Grosvenor Gardens, London SW1W 0EP. Every gift is appreciated.

RNLI

Our life savings come from your money

SCOTTISH WOOL TEXTILES

The re-grouping of the clans

Ken Gofton describes how the industry is changing—fewer names and thinner cloths—in response to modern trends

THE SCOTTISH woollen industry, quality-conscious to the last, has been feeling a cold wind of change for a decade or more. Output, at 20m. square yards a year, is much as it was 10 years ago, but employment has about halved to 7,000. In 1963 there were 94 companies in the National Association of Scottish Woollen Manufacturers, and four-fifths of them were independent, mainly family businesses. To-day, the Association has only 66 members, and half of them—by and large the biggest and most important—are linked to major groups like Hillingworth Morris, Allied Textiles, Scottish Worsted and Woollens, and Joseph Dawson (Holdings). So active was the last-named in takeovers a few years ago, in fact, that the border textile town of Hawick became known locally as Dawson City.

To get the same production from fewer workers, fewer companies, and far fewer premises is the same as saying that efficiency has improved. So it has. Many of those who failed to realise that times were changing have gone to the wall.

9% return

The Association claims that when its members are lumped in with the rest of the U.K. wool textile industry, they fit into the second quartile in terms of size, but the first quartile in terms of profitability. All that means is that they are more profitable than average—not much to boast about on the latest published figures for 1971-72 which, dragged down by the textiles recession of those years, show a mean return on capital of only 9 per cent. Results for the current year are likely to be much better.

The shake-out had to come, for several reasons. High on the list must come the fact that markets are changing, both geographically and in the type of product wanted. Since the end of the war, exports have accounted for never less than 40 per cent. of production, with some companies regularly

exporting four-fifths of all they make. But whereas North America took 54 per cent. of overseas shipments in 1957, its share has now dropped to below 27 per cent. The countries of western Europe, on the other hand, have increased their share of purchases from 31 per cent. to 63 per cent.

Clearly this has meant a major reorientation of sales effort. Other pressures have come from the changing taste of consumers. The spread of central heating in homes and offices, and wider car ownership, have reduced demand for heavy tweed suits and overcoats. There has been a big swing towards women's fashion fabrics and away from men's suitings, and towards lighter weight materials by the inclusion of man-made fibres.

The famous overcoating company of J. and J. Crombie in Aberdeen is one that, so far, has steadfastly remained an all-wool house. Directors stress, however, that they have not set their face against the use of synthetics if circumstances so demand. Yet although Canada and Russia remain very good markets for top-coat fabrics, the company has had to acknowledge the fact that global demand for its specialities has declined: 30 per cent. of its capacity has been switched to the production of jacket and suit cloths.

The change does not appear to have been a fatal blow. The latest returns for this Hillingworth Morris subsidiary show pre-tax profits of over £260,000 on a turnover of £2.1m. and capital employed of £1.4m.—figures well above the industry average.

Swiss looms

As Crombie would admit, it has taken more than a willingness to change the product to keep the industry going. A centuries-old tradition lives on, but it is underpinned, in the best examples, by modern technology and management skills. A prime case is Scottish Worsted and Woollens, which,



Two numbers in Reid and Taylor cloth. Left: "enlote de marche" by Lanvin Diffusion in cream and gold. Right: divided kilt by Lanvin Tailleur, with petrol blue worsted blazer.



has been greatly strengthened since the appointment of Mr. Hugh Thomas, formerly assistant managing director of Colgate Palmolive U.K., first as finance director and more recently as chief executive.

And so one can go on. Edward Gardiner and Sons at Selkirk, another fan of the Sulzer loom, is busy commissioning one of the most advanced applications in textiles for computers. Fed with details of new orders, its ICL machine does the complete documentation, including issuing the production orders. It revises information on delivery dates, stock levels, and raw material supplies, and if required could even say how profitably the mill had been run at the end of every day.

Tartans

Peter MacArthur is Scotland's biggest producer of tartans, and seems to go from strength to strength. In the last two financial years reported, turnover has climbed from £500,000 to over £650,000, and profits have risen rather more than proportionately. Nor is there any sign as yet of the world's love for tartan evaporating. According to director Mr. A. Bottomley, it is the company's boast that it has never had a loom idle since the end of the war, and even the recent installation of £80,000-£90,000 worth of Dornier weaving machines, boosting capacity by 30 per cent. has not eased the pressure on order books.

A final example of a successful company of the traditional school is Reid and Taylor, which happily advertises itself as the producer of the world's most expensive twist suitings. But while its all-wool cloths are very much in the style textile buyers associate with Scotland, it is only fair to say that it has not stunted itself so far as the modern equipment is concerned, and its flamboyant managing director Mr. John Packer knows a thing or two about marketing.

The essence of his business has been to sell high-price and high-quality fabrics to a tightly controlled number of international customers. His hall-mark has been an annual extravaganza, with buyers and the Press flown in fashion shows in settings appropriate to the theme of his collection. This year the theme was whisky, and the show took over Glenaeles, the previous year it was in the champagne country.

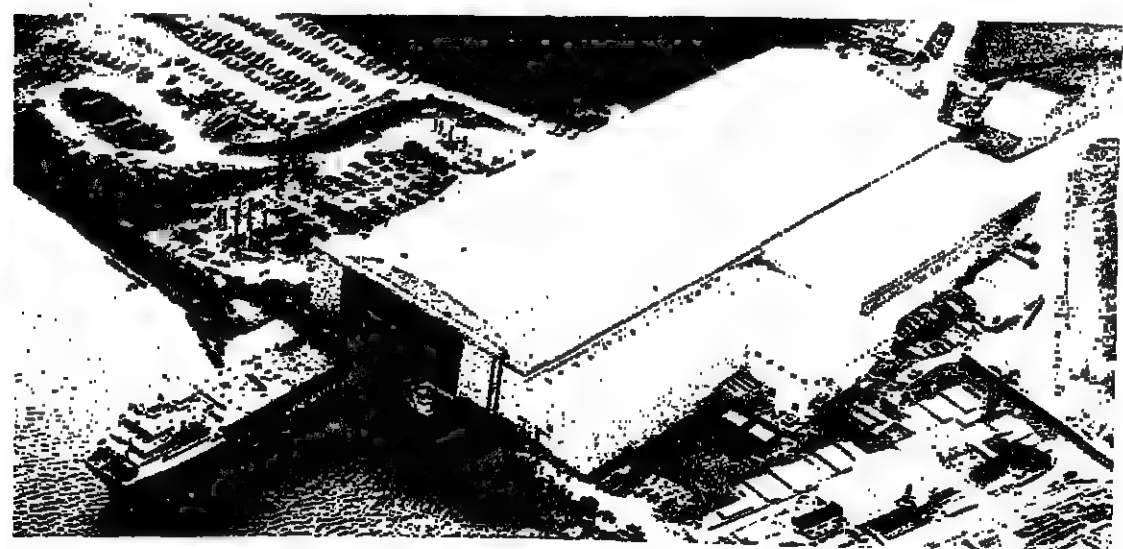
Packer keeps a tight control on output, preferring to keep his cloths exclusive. But the margins are good enough for Reid and Taylor to be held up as the "flagship" of the Allied Textiles group.

All of this is heartening enough, but there are also companies which quite recently have had to face up to problems, like Gibson and Lumsair in Selkirk. This is the former subsidiary of Imperial Tobacco, with which designer Mr. Bernard Klein was associated. After chalking up losses of £120,000 over two years it was sold in March to the resident directors: a substantial injection of additional capital which has since been made available will go a long way in helping to turn the company round. What the bare figures mask, in any case, is that the two years of heavy losses covered a period of substantial internal reorganisation, from which the company is now feeling the benefit.

More to go?

In fact, rationalisation never ends, and it would be worrying if it did. The industry stresses how much leaner, healthier and more efficient the Scottish textile companies now are. But privately executives admit that this judgment could not be applied to every company in the industry, and that only the current boom had saved some from going under. Now there are signs that the boom is tapering off, how long before the blood-letting starts again?

Philips lighting every night... a new ship every 2 months at Appledore Shipbuilders.



Appledore Shipbuilders' covered yard on the north coast of Devon has earned an enviable reputation for productivity. And it is a reputation with which Philips are proud to be associated.

Night work is obviously an essential part of the tight schedules which are set at Appledore to achieve a target of a new ship every two months floated out from this yard which covers several acres. When it was opened three years ago it was the largest of its kind in Europe, and with Philips high intensity lighting work goes on round the clock, often with two ships up to 5,000 tons being built side by side.

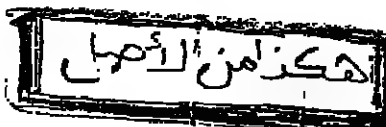
All the lighting is Philips from the fluorescent installation for the drawing office's meticulous work to the security floodlights round the perimeter. And when the yard was extended earlier this year another 35 kilowatts of Philips high bay lighting was installed.

Philips lighting is not only helping to improve productivity in industry, Philips make, and are constantly developing, lam and fittings for all kinds of lighting purposes. Philips have led the way in motorway lighting and car headlamps, in integrated environmental equipment for offices, in display lighting for stores and floodlighting of giant sports stadia, and Philips have brought vastly improved standards of lighting to the home.

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FINANCIAL AND ACCOUNTANCY APPOINTMENTS



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to take charge of a new investment department of a substantial Scottish private group. Working closely with the Board he will be concerned with formulating and implementing investment policy which it is planned will take the form of significant minority stakes in private and quoted companies. Applications are invited from those with considerable practical experience in company investigations and investment analysis. A degree or professional qualification in accountancy or law is preferred. A Board appointment and equity participation in due course are not excluded. Initial salary probably about £7,000. Location, by agreement, likely to be Scotland but could be London. Please contact A.Y.B. Thomson in strict confidence at 12 Lynedoch Crescent, Glasgow G3 6EQ or telephone 011-332-9595.

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Top position in Tokyo

The man selected for this appointment will be of entrepreneur calibre, possess extensive banking knowledge and foreign experience, and will already occupy a high position. He will be given the opportunity to take over, with a high degree of independence, a range of responsibilities which have an especially good development potential. The terms of employment are in all respects commensurate with the exacting demands of the position.

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Bleicherweg 21, CH-8022 Zürich, Switzerland.

Your application will naturally be treated with the utmost discretion and any information you provide will only be passed to our client with your express consent.

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Bern Basel Zürich

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Send brief details of past experience and current responsibilities in the strictest confidence to:
Box No. T.2695, Financial Times
(Our own staff have been notified of this appointment.)

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15,000+

are one of the country's leading growth companies, an international group involved in a number of diverse operations. Due to rapid expansion we require a highly able Chartered Accountant in the 35-45 bracket to lead a team of systems and management specialists in all areas of financial management. The individual appointed could operate on a full-time basis or on a part-time basis either immediately or within a six to eight month period upon previous experience.

The salary will be a minimum of £15,000 per annum with substantial benefits. (Ref. W4469/FT)

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to whom replies may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.



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London

£7500 + profit share

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The company wishes to appoint a Group Financial Controller capable of handling the current and planned scale of operations, who is also prepared to roll up his sleeves and get involved. He should be qualified and preferably experienced in the appropriate accounting procedures and controls associated with distribution on fast moving consumer goods.

Main area of responsibility will be cash flow, credit and stock control and review of management information systems. Dependent on proven ability a Board appointment is envisaged within two years.

Applications in confidence to J. Grant, Director, London and Provincial Accountancy Appointments, Ashley House, 96 Hatton Garden, London, EC1N 8NN. 01-242 2247.

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Please apply in writing to the Managing Director, Box T.2687, Financial Times, 10, Cannon Street, EC4P 4BY.

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The scope of the opportunity will satisfy the ambitions and abilities of a qualified accountant who aspires to join the decision making team in an exciting but exacting business environment. Business acumen and management skills are as important as professional competence.

Evidence of the successful development and operation of integrated management information and control systems (manual and computer based) is required. Preference will be for those with experience in high volume, high speed, multi-product, batch processing sectors of industry.

Age: mid 30s. Salary around £6000 with car provided. Location: North West.

An early appointment to the board is envisaged.

Letters will be handled in confidence by Dr A G Roach.

ROACH

A G ROACH & PARTNERS,
8 HALLAM STREET, LONDON W1N 6DJ

Reed Executive

The leading authority on the selection of financial management.

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to £5,000

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Our client is a sound manufacturing group which is shortly going public. With an excellent growth pattern and major expansion just taking place much of it overseas, there is need for a bright, innovative Chartered Accountant to assist in ensuring there is proper control. The scope of the position only depends on the experience the successful applicant can offer; general management ability is essential as is the right potential for promotion. Applicants should preferably have had commercial experience, but purely professional experience would be considered on its merits. Ref: 0119/FT Apply Reed Executive, 146 New Bond Street, London W1Y 0JU. Robophone 01-629 4435.

Management Accountant

This position will be taken by a qualified accountant leaving the profession or one who having trained in commerce or industry now wishes to broaden his experience. The appointed man will join a management team which undertakes a wide variety of consultancy and investigation assignments, and will spend the majority of his time at operating locations mainly in the U.K., but also in Europe. The company is well-known in its field and regards this position as one for immediate experience only, leading to a line appointment elsewhere in the group in the short-term. Ref: 0515/FT Apply Reed Executive, 146 New Bond Street, London W1Y 0JU. Robophone: 01-629 4435.

Surrey/Hants Border

to £4,500

City

to £3,500

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The autonomous and expanding subsidiary of a major European Group requires a qualified accountant of high calibre and potential. He must have about three years' experience in a wide range of modern financial controls, some using data processing, and be responsible for improving the flow of financial information to the managing partners. This is an excellent opportunity to join a successful and growing firm. Applicants aged under 45 should have knowledge of accounting procedures and the use of data processing. Ideally, a chartered professional status. The appointed man will have a considerable influence on the progress of the firm and much will depend on his ability to achieve these results through periods of rapid expansion. A spell in management consultancy could be an advantage. A car is provided and employment conditions are good. Location: Midlands. (Personnel Services: Ref. AA40/4858/FT)

Young ACA or ACCA

+ profit share

This vacancy, in a major commercial group, arises as the result of internal promotion. The successful candidate will initially act as assistant to the Group Accountant and be engaged on a wide variety of assignments for management, which will familiarise him with the company's range of activities in the U.K. and overseas and prepare him for a line appointment in one of the group's subsidiaries. These subsidiaries include banking, finance, insurance, trading and shipping interests. The group has an excellent growth record. Candidates should ideally be recently qualified accountants aged 23-27. Ref: 0445/FT. Apply to Reed Executive, 146 New Bond Street, London W1Y 0JU.

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c. £5,500 + car

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The number of candidates will not be limited to our client without prior permission given during a confidential consultation. Please refer to our career details, quoting reference number to the address on the card for an application form, and advise us if you have recently made any other application.



PA Management Consultants Limited,
Personnel Services Division, Hyde Park House,
Aldershot, London SW1X 7LE

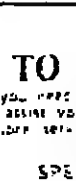
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A Scottish Manufacturing Company intends to appoint a FINANCIAL CONTROLLER with responsibility for the administration of the commercial department, accounting, financial planning, annual budgets, cash forecasts and taxation. He will report to the Managing Director and the Board, and will play a key part in the management of the Company and its local Subsidiaries. The ideal candidate should be a qualified Accountant with broad industrial experience embracing general management as well as financial responsibilities and be in the age group 35/45. Salary in the region of £5000 p.a. Benefits include Contradictory Pension Scheme, Life Assurance, BUPA membership, and assistance with housing.

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& profit sharingFINANCIAL
CONTROLLER

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The salary will be negotiable around £6,000. Fringe benefits include a company car and participation in a profit sharing scheme. Offices are located within reasonable commuting distance of the Dales.

Brief but comprehensive details of your salary and career to date, which will be treated in confidence, should be sent to:-
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A. M. L. WARNOCK,
GROUP MARKETING DIRECTOR,
T.I. CONSUMER FINANCE DIVISION,
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NOTTINGHAM.

WEST LANCASHIRE DISTRICT COUNCIL

Banking Services

Tenders are invited for the provision of banking services for the new West Lancashire District Council for a three year period commencing the 1st April, 1974.

The West Lancashire District Council will comprise those areas at present administered by the following authorities:-

- The Urban District of Ormskirk
- The Urban District of Skelmersdale and Holland
- The Rural District of West Lancashire (the parishes of Aughton, Bickerstaffe, Bisham, Downholland, Halsall, Heslith-with-Beccossall, North Meols, Rufford, Scarisbrick, Tarleton and parts of the parishes of Altcar and Lydiate).

The Rural District of Wigan (the parishes of Dalton, Farnold and Whittington).

The District will cover an area of some 80,000 acres with a population of approximately 105,000 and a rateable value of £10,500,000.

Further information will be supplied on application to the Director of Finance,
The West Lancashire District Council,
52 Derby Street, Ormskirk, L39 2DF
to whom tenders must be submitted by the 24th October, 1973.

J. COWDALL,
Chief Executive Officer.

CREDIT ANALYST

required by Leading American International Bank
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Relevant experience of American banking credit analysis methods essential. Preferred age bracket 28-35. Remuneration appropriate to experience and qualifications.
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This is a senior appointment in an expanding organisation, concerned with a variety of management and financial accounting operations connected with the £750 million investments of the N.C.B.'s pension scheme. Based in our investment offices in the City, the successful candidate will be mainly responsible for the financial review of investments transactions and holdings, measurement of results, comparison with other institutions and reports for management.

He will have proven interest and experience in the financial and investment markets, and will show an ability to appraise the effects of investment transactions and to prepare and develop financial reports, statements and final accounts. He should have a recognised accounting qualification or a degree or diploma in a relevant subject, e.g. economics. Some experience with EDP systems is essential.

Salary is negotiable according to experience and qualifications but will be not less than £4,000 p.a. Generous fringe benefits include nearly six weeks' annual holiday and an attractive pension scheme. Please write quoting ref. B.60 and giving brief relevant details to:-

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National Coal Board,
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Graysvenor Place,
London, SW1X 7AE.

NCB

BP

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Group Control

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Direct Mail

Financial Times Report

An industry in good shape

This Report was written by ANTONY THORNCROFT

The direct mail industry is in good shape. The hundreds of companies that supply the specialist services (lists of addresses, envelope filling facilities, design expertise, etc.) have, in the main, seldom been bustier, and there are now signs that as an industry direct mail is acquiring a knowledge and sophistication it so obviously lacked in the past. As Brian Holland of Brian Holland and Partners says, "ten years ago when a client was talking to a direct mail company it was ignorance talking to ignorance—now on both sides there is much more selectivity."

The improvement began when the Post Office, which after all earns a great deal of money from the direct mail houses, started to co-operate more fully and commissioned the first detailed research into direct mail in the U.K. It cost £10,000 but proved to general satisfaction that direct mail is not an expensive medium, does not suffer from over-exposure (individuals at work receive no more than three items a week and only two a month at home), and that over 80 per cent. of recipients actually enjoyed receiving a direct mail shot.

Sales operation

On the basis of its findings the Post Office is currently undertaking a sales operation for direct mail, both through the hundred and more salesmen that sell its services to business and through talks with advertising agencies who in the past have held aloof from the medium with generally disastrous results on the quality of design in direct mail. This is a fortunate time to put the pressure on agencies for the current shortage of other media space is forcing them to look again at direct mail, the

forgotten sales medium. Undoubtedly some of this year's activity is a result of companies not being able to advertise in their first-choice media—and many seem pleased with the results they have obtained from direct mail.

But the industry is not leaving everything to the Post Office. One of the vital areas where complaints have wrecked the confidence of the direct mail enthusiasts is mailing lists. In the past lists have contained errors in names and addresses of over 20 per cent, and no company wants to waste that amount of its promotional budget. Specialist firms huffed their lists close and perpetuated errors. Now the Direct Mail Producers Association believes it has persuaded 21 leading companies to put up £25,000 to finance a Central List Bureau. By pooling their knowledge of lists and by using the resources of the bureau when they want to mail accountants, say, or hospital secretaries, they will improve the quality and widen the coverage. The lists will be placed on to tapes and continually updated, and the 400,000 names and addresses will be available to other direct mail houses—at a price. The bureau will hopefully be the source of the most used lists in the U.K., although it will co-operate rather than compete with specialist companies like Medical Mailing, who have traditionally covered the medical profession.

Lists are fascinating documents—you can buy the names and addresses of 19,846 village post offices, and stores, for example, for a few pounds, or 2,264 girl guide troops, or 239 privy councillors—but it is expensive to update them, and the direct mail industry still awaits an organisation to go through all the data now available in VAT registrations, and from the census to improve this vital side of the industry.

The end part of the direct mail process, the placing of the

direct mail shot into the envelope, the mechanical processing activity, is less of a problem. Organisations like Vernons Distributors need the services some days of up to 70 postmen to cart away the parcels and envelopes they have processed. A shot to 2m. homes can be handled in two weeks, and there is a normal weekly handling capacity of 12m. units.

Complete service

Vernons offers a complete direct mail service but because it operates mainly for big companies distributing millions of items it tends to be presented with a completed pack and rarely actually designed the literature. It was in its element when earlier this year it handled a campaign for a leading operator in the sales promotion field which involved the assembly and filling of units into 32m. envelopes. Although originally mounted on an output requirement of 5m. weekly this was twice increased at the request of the client to an ultimate 15m. in one week. No wonder Vernons is the country's biggest user of rebate and second class mail.

Happily these days the direct mail industry has in the main stopped complaining about the Post Office. Although rising postage costs mean constant reappraisals of a company's strategy when it uses direct mail—postage is invariably the most expensive item—the criticisms these days mainly concern delays in delivery. The best companies realise it is not the cost of a direct mail shot that matters, and an average expense would be about £60-£70 for 1,000 items, but the response it evokes.

Perhaps in the past companies have been satisfied with too low a success rate, but now most campaigns are tested beforehand, both for creative content and potential market, and greater precision can push

up the leads. Of course it is impossible to talk about average response rates—on a very large mailing a return of .1 could be very good—but it has been traditionally 8 per cent. Graham Damp of the Post Office believes a company should now be looking towards 10 per cent.

Most direct mail still goes to industrial customers, and this will always be the case. The costs of direct mail are exorbitant unless you can be selective about your market. The smaller the mailing the larger the likely response—a campaign which was delivered on the back of a bottle of champagne attracted an inquiry rate of over 80 per cent. There is now a general realisation that it is worth paying more and getting greater attention. Some companies, like ICI and Mars, appoint direct mail houses to act as second agencies, and to advise on a permanent basis on the creative and selective aspects of their direct mailings. This is obviously a step in the right direction. Shopping around and choosing the cheapest tender was the cause of much of the disrepute into which direct mail fell.

Some companies concentrate most of their marketing effort on direct mail (Reader's Digest is the classic example) but the majority in the consumer field believe it is too costly. Higher postal charges have certainly dampened enthusiasm for the mass drops that were becoming common a few years ago, and with house to house deliveries by hand also in a slight decline after a period of competitive blood letting in this overcrowded sector, direct mail in 1975 is more than ever a way for industrial companies to talk to their customers—although doctors remain the prime targets of direct mail houses. Now the firms involved in house to house deliveries are beginning to offer selective services but it will be some time before

they can challenge the traditional direct mail operations lists. In time, however, the larger consumer durables will certainly be sold partly through direct mail.

The only problems facing the industry at the moment are the availability of paper and the danger of poor companies ruining the reputation of direct mail through the despatch of low quality materials through the post; this has been the bane of the American direct mail industry. But in the main this

marketing medium, which collectively must have a turnover of £100m. a year, is improving standards and its reputation. There are still too many firms scratching a good living by providing a poor service, but the Post Office, the advertising agencies, and the various trade bodies start to plough cash into research and into raising quality of operations, an even brighter future can be predicted for this fragmented, but often effective marketing medium.

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Post Office has a crucial role

The Post Office has a crucial role to play in the development of the British direct mail industry. After all, postage can be the largest cost item in a direct mail campaign. Fortunately in recent years the Post Office has recognised its responsibilities and to-day acts as the driving force to spread knowledge of direct mail. One of its assistant marketing directors, Graham Damp, tours the country, and the world, pointing out how effective direct mail campaigns can be to audiences of business men, to advertising agencies, and to the direct mail houses themselves.

Of course, the Post Office acts from enlightened self interest. About 10 per cent. of its deliveries (currently 35m. letters a day) fall into the direct mail category and if it can push this up to nearer the American level of 20 per cent. its revenue will receive a considerable boost. In the past the relationship between the Post Office and the direct mail houses was not always happy: now they co-operate closely and promote direct mail, scraping away the myths and endeavouring to polish up the image.

First step

The first step in the campaign was the commissioning of some research into what had been a very obscure industry. This discovered that about a third of companies have used direct mail but the heaviest users are large companies operating from the south-east. Over three-quarters of direct mail is aimed at companies, but the consumer side is growing and most people are quite favourably disposed to receiving direct mail at home.

Not that they do very often—more than a third receive a direct mail shot less than once a month and only 30 per cent. of A.B.s get bothered more than once a week. The research also revealed that it was the woman of the house that usually opened the mail in the morning—when should be remembered when deciding on the creative approach.

Armed with some research findings, the Post Office has set out to educate industry. In May

it sent out its own mailing shot to 23,000 businesses, getting a good response of 9.4 per cent. (from advertising agencies the response was 23 per cent.). Those interested received a four-part informative kit about direct mail. Next year the Post Office will mail to 155,000 smaller companies. As Graham Damp says: "The idea is to get information about direct mail into the hands of the business world."

Marketing courses

In addition the Post Office is trying to get universities and business schools to teach direct mail more effectively in marketing courses: has organised seminars, many of which are designed for advertising agencies who traditionally have not become as involved as they should with this sales arm; and acts as a catalyst for the three hundred or so, usually small, firms who make up the direct mail industry, pointing out to them, as discreetly as possible, the need for better creativity and more accurate lists. Finally the Post Office's sales force emphasises the advantages of direct mail when it tries to sell

the overall services of the enterprise to businessmen.

All this activity should benefit the entire direct mail industry. But what interests the individual firms involved is the actual charges that the Post Office makes for delivering their mailing shots. There has been a system of discounts in operation for some time, starting at the lowest level with a mailing in excess of 4,250 and rising to a 30 per cent. discount on a shot of over 1m. letters. The Post Office does not envisage any improvement in these discounts. Indeed because some users do not contribute as they should, in pre-sorting the mail any movement in the charges could be upwards.

However the Post Office is involved in more than just propaganda and in offering special deals. It is looking at the question of delivering unaddressed mailing shots on a door-to-door basis. This is a growing part of the industry and, with the knowledge it has amassed through postal deliveries, the Post Office could make a big contribution—if it could be added without affecting its traditional business. The Post Office is also aware that, through

Continued on next page

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Debating Thomases in agencies

agencies have the effectiveness of a direct mail campaign is easily measured, the direct mail which can be rather shocking in theory when for an agency, which often marketing approach makes its money through creating images. Then again there are all the many controls and rational advertising expertise needed—in compiling a list, in making sure that the letters are correctly printed and addressed, and that the enclosures are right. It is too often with their mundane, too down to earth, too and do virtually exhaustive in personnel and time to suit many advertising agencies.

extent the smaller agencies, who enclosures are right. It is too often with their mundane, too down to earth, too and do virtually exhaustive in personnel and time to suit many advertising agencies.

Main problem

And yet more and more feel that if they have any pretensions towards expertise in marketing they must be able to offer clients a direct mail service or at least know where to acquire specialist help. For the main problem is that there are relatively few good direct mail executives. It is an industry which encourages the hopeful rather than the trained marketing man. So the great lack in the agencies is worthwhile personnel, especially in the creative area. Young men with talent prefer conventional advertising, where the salaries are higher and the acclaim greater.

Lawrence Connolly, who runs the FCB direct mail subsidiary, operates in a different area from JWT. Around 80 per cent of his business is with non-agency clients, and he believes that direct mail is ignored by agencies because "it is a medium where many things can go wrong." It is also hard to interest good staff. For direct mail shots often seem dull and routine—their only advantage is that they work. FCB has an insurance broker as a client that gets all his leads through direct mail and it has just completed an effective mailing shot to 15,000 businessmen on behalf of the Department of Trade and Industry.

Dick Thomas head of the Selective Response Unit at Waseys says: "Direct mail is not very profitable for agencies. It is seen as a poor sister." Because companies have been getting their direct mail prepared quite cheaply from the very competitive specialist shops they are reluctant to pay agencies for a higher creative standard. But Thomas is confident that direct mail will grow. World Wide it is the third largest medium after television



Feeding and wrapping for direct mail. This machine has a work rate of 100,000 units per day.

and newspapers and the billing of some of the American direct mail houses, such as Wunderman, would place them among the very largest agencies in the U.K.

He agrees that lack of trained personnel holds back the industry. "There are only a dozen good people in the country," he says, and thinks that every client, except a packaged goods company, could have a use for direct mail. Indeed with the likelihood of a growing media shortage many companies, such as the consumer durable manufacturers, may be forced to come to terms with its peculiarities.

But now the Post Office has taken upon itself to promote direct mail. The campaign has only been going for two months but few agencies can deny that they ought to consider the direct mail approach when advising clients. Some do, and not only the industrial agencies dealing with capital goods companies but also the traditionally heavy users of direct mail. Among the big London consumer agencies JWT, Foote Cone Belding and Wasey Campbell-Ewald certainly take direct mail seriously. Don Leach at JWT works exclusively for JWT clients and believes that agencies have been maligned in the past. He be-

lieves that if direct mail is the solution JWT will suggest it to clients and with the possibility of a media shortage in the next few months this approach may become even more popular, especially among consumer durables. It is a case of horses for courses. Direct mail can be an expensive way of reaching housewives, but JWT has recently used it effectively for an international campaign designed to recruit members for its Travellers Club and Leach believes one of the great advantages of direct mail is that, by or more accurate prediction of carrying out tests first, a fairly

accurate prediction can be made of the effectiveness of a campaign before it starts. However, he feels that agencies should not get involved in the hardware. They give the creative lead but buy out support services like lists and mailing.

Waseys tries to do most of the work on a campaign itself and has handled mailings of over a million quite regularly for a financial client. One of the attractions about the medium is that by carrying out a comparative test of creative approaches of marketing more and more you can obtain an 80 per cent. clients will expect their advertising agencies to be expert

ing shot, and in many campaigns a response of 75 of 1 per cent. makes the exercise successful. It will be a long, slow, process before agencies fully accept that direct mailing is a marketing sector to be as carefully researched and staffed as television or the Press, but the very fact that its successes can be proved (although few companies like to talk about them) give it an edge over the conventional media—an edge which with their strong appreciation of marketing more and more clients will expect their advertising agencies to be expert

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CONTINUED FROM PREVIOUS PAGE

Crucial

its connections with Government bodies and such sources as the Census, it is in a better position than anyone to develop more accurate mailing lists. However this comes up against the problem of the invasion of privacy, and the Post Office would prefer the industry to invest privately in improving the accuracy of lists rather than

itself entering this area directly. Since the direct mail industry is so fragmented, with very many firms working quietly away in specialist areas making handsome but not excessive profits, the Post Office, as the largest single body involved, necessarily assumes a major role in publicising the industry and raising standards. It has the difficult task of trying to capture the amount of business handled by the postal authorities in the U.S. without lowering the standards which are so prevalent there.

Creative standards

But it must carry the rest of the industry with it. The Post Office may feel that creative standards are low, that too many companies are satisfied with poor response rates (Graham Damp reckons 10 per cent. should usually be aimed for), and that lists are imprecise and out-dated but it cannot be too critical. It can produce a definition for the business "material despatched by post to specific addresses for advertising purposes," but must not be seen to be too autocratic. Generally, however, its more public face is welcomed by the direct mail companies, as are its special services.

For in addition to its rebates the Post Office offers a business reply service whereby a reply card is enclosed in a mailing at a cost of postage only, plus 1p per item on the replies received, and a small annual licence fee; postage paid facilities; free collections for a 1,000 or more letters, or parcels each day; and other baits.

Many users of direct mail still complain that rising postal charges threaten their profitability. But if the Post Office takes a lot from the industry at least it now seems prepared to give something in exchange, and it can take some of the credit for the renewed interest in direct mail in the past few years, an interest which is likely to grow as European companies become involved and as the media shortage, with its limitations on advertising, persists.

"Cardboard trucks. The best investment we ever made."

Bruce MacCormack, General Manager, Wincanton Contract.

As a young company in the transport business, Wincanton Contract were faced with an old problem. Namely, communicating the money-saving benefits of contract hire operation to the men most likely to appreciate them:

The financial directors of companies with heavy transport costs.

A hard-headed group. Not easily persuaded. And rarely susceptible to conventional advertising. But if conventional advertising couldn't get through to them, what could?

Direct Mail.

Direct Mail had worked time and time with similar men in other fields. Why not with hard-headed financial directors?

A mailing shot was devised to set the money men thinking:

The cardboard truck you see here.

Response was immediate.

For an outlay of under £12,000, Wincanton Contract picked up a million pounds worth of business.

But why are we, the Post Office, telling you this?

Because we want to see more and more businesses sell themselves through Direct Mail. And because we can help in several ways.

For example, we could organise a Business Reply number for you. Or, free of charge, collect your mailing shots for posting. (Minimum 1000 letters.)

We could provide you with a Freepost address. Offer a Postage Paid Impression service. If your mailing shot is big enough, we'll even give you a discount. (Minimum 4251 letters.)

(Your local Head Postmaster has all the details.)

Not only that, but if you drop a line to Postal Marketing 4, Freepost, Postal Headquarters, St. Martins-le-Grand, London EC1B 1HQ we'll send you a free packaged symposium on Direct Mail.

It could be that one good mailing shot might do for your business what a dozen good ads could never do.



The Post Office

LOCK EXCHANGE REPORT

Profit-taking in leaders but secondary equities bought
ex reacts 3.1 to 434.4—Gilts lose bulk of early gains

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Motivated by the strong tone on Wall Street, buyers came for investment currency and the premium improved progressively to close 1/2 higher at the day's end. A similar situation obtained at the short end of the market where prices were often easier at the end. Exceptions were stocks maturing around 1977 and 1978 which made unusual rises of around 1/2 to 1 point. A similar situation obtained at the short end of the market where prices were often easier at the end. Exceptions were stocks maturing around 1977 and 1978 which made unusual rises of around 1/2 to 1 point.

Recent equities showed an easier bias with Westwell reacting 3/4 up to 70p and Clabbe reacting 3/4 up to 54p. Bell and Howell, however, improved 1/2 to 51p.

Bryanston rally
After Tuesday's sharp fall of 20p which followed the resignation of two directors and the company's brokers, Bryanston rallied sharply yesterday after a reassuring statement from the chairman, opening higher at 53p the price improved steadily to close 10p up on the overnight level at 63p. Elsewhere in the HSE, a thin market helped Plessey Clothing add 5p more to 177p. Up to 5p firmer at one stage, leading Banks drifted lower on lack of follow-through support and closed with a mixed average. Barclays ended 3p better at 365p, after 370p, but Lloyds eased 1p to 285p, after 390p. Discounts continued firmer in places; Alexander's put up to 225p, after 210p, and Shaxson at 85p. In Merchant Banks, Hambros, 51p, and Schroders, 82p, rose 3p apiece on buying in this market.

Press comment on the interim results helped Matthews Wright-

son put on 5p to 215p in insurance. "Royals" were also up, at 338p, and Legal and General gained 5p to 178p.

Scattered buying interest was still being shown in Breweries and prices made a further small headway. Elsewhere, a gain of 20p to 157p in GEA. Sandeman gave rise to bid talk.

Although not particularly lively, business provided a few bright spots. Interest revived in GEA. Wimpey which moved up 7p to 121p and Abercrombie.

Construction continued army at 65p, up 5p. In contrast, Russell Portland 3p remained on offer and gave up 4p more to 189p, while Johnsons Richards Tiles, a recent speculative favourite, reacted to 375p before closing 11p down at 377p. Among Timbers, Bart Boniton, 51p, and James Latham, 250p, put on 10p apiece in restricted markets.

Store leaders down
LCL ended without alteration at 242p. Other chemicals continued in firm vein, Yorkshire improving 3p to 16p and Anchor a similar amount to 64p. James Bakked responded to the results and proposed scrip by rising 2p to 74p and Holt Products gained 2 1/2p to 37p on the half-yearly statement.

A late reaction in the Engineering leaders ended with Hawker Siddeley showing a net 5p fall at 450p, after 455p, and Tube Investments 12p, while the rest of the half-yearly profits achievement helped Cape Asbestos rise 3p to 155p, but the lower interim figures left Norbury Insulation 3p down at 125p. In the food and drink, a late rally found favour at 118p, up 7p, along with National Carislaw, 31p higher at 422p, and Transwood, 4p better at 49p. News of the proposed sale of the freehold of Blackfriars House, Man-

chester, for £17m, helped Whitcraff improve 4p to 150p, while Bruntons (Musselburgh) firmed 5p to 155p on the interim statement.

British Leyland came back 1p to 261p in Motors, but Rolls-Royce met further demand and closed 3p higher at 70p. Joseph Lucas was notable for a rise of 1p to 171p in firm components, where Brown Brothers and Albany put on 1 1/2p to 45p. Several Garages issues also found favour, Henry's rising 1/2p to 221p, Wadhams 1/2p to 59p, and Apple and Yard Group 3p to 76p, while Mann Egerton, on the bid situation, were 7p higher at 206p.

Paper/printings were rarely changed with the exception of Reed and Smith which ran into a strong demand for interim results and reacted 3p to 78p. Cradley Printing hardened 1p to 151p following the improved figures. Newspapers were like- wise little altered, awaiting today's half-yearly statement. News International remained at 160p. Elsewhere, Morgan-Grampian picked up 5p to 125p.

Properties again made a mixed showing. Long issues to give ground included Star (Great Britain), 3p cheaper at 180p, and Land Securities, 2 1/2p off at 205p. Further profit-taking left Law and Order, at 102p, and the other hand, Aquas Securities firmed 1/2p to 271p in response to an investment recommendation, while demand continued for Apple which touched 164p before closing 4p up at 156p.

Turner & Newall good
Press mention stimulated interest in Turner and Newall which closed at 125p, up 1p, after 124p, and other leading miscellaneous industrial leaders trended distinctly dull. Recent buying of Glaxo dried up and the price came down 1p to 124p, while Baxters gave up 4p to 274p and Baxters 3p to 285p. Office Equipment shares made further progress. Caplan's good market of late found favour at 125p, up 1p, and advanced 1 1/2p to 134p. Office and Electronic moved up 7p more to 150p, while Gross Cash, 7p, and Sandhurst Marketing, 4p, rose 3p and 2p respectively.

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ENGINEERING AND METAL—Cont

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1. *Journal of the American Medical Association*, 1997; 277: 1033-1037.



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a fleet of endurance!

ONDURA REMOULDS
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 Phone 053-5253

Lombard

Gold on the way to a big come-back

BY C. GORDON TETHER

THE battle that is raging over gold is not, as I have frequently pointed out, a battle about whether or not it should be demonetised. For that is what it is, to all intents and purposes at the moment. The real question is whether it should be demonetised to enable it to play the part it could do in halting the present drift towards world monetary and economic chaos.

And the highly pertinent conclusion that emerges from recent top-level pronouncements on the monetary crisis is that there is a growing realisation on this side of the Atlantic that the sensible thing to do is to start setting gold, along with the present gold-linked SDR, back into the picture—without waiting any longer to see whether the U.S. can be induced to co-operate in launching more far-reaching forms of reform.

Several of the major EEC countries have stressed the importance during the past week of resuming the settlement of payments balances in primary reserve assets (which in this context means gold and SDRs) on the basis of a realistic price for gold. And Dr. Milton Gilbert, a man who, as economic adviser to the Bank for International Settlements, obviously has his ear close to the ground—forecast that this would come to pass in the fairly near future.

Feet-dragging

This is an extremely important turn in the world monetary controversy. For Continental countries that are now apparently prepared to regard the case for a major revaluation of gold as irresistible themselves just as hostile as the Americans themselves to any move that would be calculated to promote the metal's monetary rehabilitation.

Presumably, the latest display of feet-dragging by the U.S. has persuaded them of one thing—that, since there is going to be no hope of halting the onward march of disinflation in international monetary affairs before time runs out if we have to wait until Washington is prepared to participate in a global reform exercise, they will have to do what they can on their own.

Needless to say, without the assurance of full-hearted U.S. collaboration, there is no point in thinking in terms of establishing an international settlements system hinged upon a new-kind SDR of the kind under discussion in the U.S. So the obvious thing to do is to take such action to re-establish basic disciplines as does lie within other countries' power.

Naturally, this cannot be done unless it is recognised that the existing official price for gold of \$35 per ounce is totally unrealistic. But there is, of course, no reason why a group of countries feeling impelled to break the impasse in world monetary affairs should not take this step.

Confidence

One considerable practical problem that would, of course, be encountered once it had been agreed to discard the old official price would be that of the resumed trade in gold and gold-linked SDRs should take place. The most probable "interim outcome" would be a decision to operate close to the current market figure, since this would be the easiest way out. But it is conceivable that, to give the new arrangements as orderly a character as possible, it would be thought appropriate to make some effort thereafter to limit fluctuations in the open market figure itself through two-way central bank intervention.

Whatever the practical arrangements, however, the important thing about such a re-activation of the gold and SDR elements in the international liquidity structure would be the clear-cut recognition that there was everything to be said for getting gold to spearhead the movement back to international monetary sanity. In short, that whatever could be said in the longer-term sense for such new-fangled devices as an SDR linked to a package of currencies, the immediate need was to give a much bigger role to the one form of international money that still commands confidence in the world at large.

It goes without saying that it would be infinitely more satisfactory if gold's come-back was not confined to Europe—embracing, in particular, the U.S. itself. One wonders whether it is too much to hope that Washington will be sufficiently mindful of that failure to come in on the financial leadership of world monetary affairs that it will start issuing the "role of gold" into proper perspective at last.

THE LEX COLUMN

Prospects for gilts after the rally

The revival of gilt-edged petered out yesterday, as the buyers paused for thought and the authorities opened up the official tap in Treasury 9 per cent 1980. It looks as though the Government was already supplying a few assorted non-tap stocks on Tuesday, which was reflected in the tightening of the money market, but the influence of tap stocks has not previously been seen on any scale since the early summer. Meanwhile the past day or two have seen a sudden hardening of short term rates in New York: the earlier decline there was a trigger for the recent flurry in gilts which is now looking like a normal reaction after an almost uninterrupted four-month drift in prices.

So the market wanted an excuse to go up, and the FT-Actuaries 20-year Government Stocks Index has climbed 3 per cent up from its mid-September low, but it is hard to see how any renewed momentum is going to be generated, particularly if the Government seizes the opportunity to supply stock in finished and the remainder is being bought in rough, it can still be hit by strikes at suppliers in Scania does not have the com- year to profits. Of course, all these figures are at the mercy of inflation rates, labour disruption and the economic cycle; but at least Fodens has not committed its money without going well into the arithmetic first.

Boilemakers

The feature of the mooted acquisition by Clarke Chapman of International Combustion's U.K. operations is that it would involve passing Clarke shares direct to IC shareholders—presumably via a scheme of arrangement under section 267 of the 1970 Taxes Act. This would be a welcome example of what appears to be a logical commercial reconstruction without the extravagance of a full-scale bid. Clarke may be adding only about 45 per cent to its £20m equity capitalisation, as opposed to 80 per cent plus in a outright bid; it avoids having IC as a substantial minority shareholder; and the link with Combustion Engineering, which could end up with about a eighth of the ultimate equity, is retained.

Acquiring profits of perhaps £2m. may not make much difference to Clarke's prospective pre-tax profits per share, but IC losses with its tax losses (around £2m. for the group at the end of 1972) and a clean balance-sheet after the Dungeness disaster.

IC, meanwhile, is capitalised at £16m.; the disposal may involve some £9m. in Clarke shares and leave IC with profits running upwards of £1m. The deal apparently covers something between a half and two-thirds of its £16m. book net worth, but that understates the remaining assets, since the overseas associates at end 1972 market prices were worth an extra £2m., and there is also a surplus of £4m. on fixed assets for the group as a whole. Combustion Engineering, for its part, has yet to exercise its £2m. cash option in IC at par. In short, this news does not produce any marked share price anomaly in either group, but it may be the basis for strength—particularly in Clarke where there is increasing evidence of an improving orders situation.

Vauxhall spending £28m. on bigger output and range

BY JAMES ENSOR AND HAROLD BOLTER

VAUXHALL MOTORS is to spend £28m. over the next two years to develop and extend its car range, providing at least 2,000 new jobs within the group, mainly at Luton.

The proposals almost certainly involve a plan to manufacture the German-designed Opel Kadett in Britain. While most of the new jobs will be created at Luton, where the Vauxhall plant has been working well below capacity, there will also be recruitment at the company's other two U.K. plants, at Dunstable and Ellesmere Port.

Mr. Alex Rhea, the Vauxhall chairman, promised yesterday that there would be more capital expenditure later.

"Further sums will be spent on developments much further away than 1975. Our design and engineering departments are currently at work on a continuing series of car projects for introduction many years ahead," he added.

The Vauxhall decision to increase its labour force is an important contrast to the situation of Chrysler U.K., also American-owned, which is threatening to make redundant 5,000 workers—one third of its British labour force—because of a nine-week-old pay strike by electricians.

The Vauxhall decision, which has been introduced in Germany, is a small car of general European appeal. It is likely to be smaller and cheaper than the Vauxhall Viva, which will be made progressively more luxurious and expensive in order to move it up the range. The first step in this process was the introduction, last week, of the Vauxhall Magnum.

General Motors has been considering for several years how best to revive the fortunes of Vauxhall, its U.K. subsidiary, which almost alone among its subsidiaries throughout the world, has been losing market share and producing inadequate profits.

Desirable

The decision has now clearly been made that further integration of Vauxhall and Opel, along the lines of the German and British Ford companies, is desirable.

Vauxhall will obviously move rather slowly along this route. It is likely that the new car will be sold under the Vauxhall name, and it may have several major Vauxhall components. But Mr. Rhea argued that the new model would provide a wider and more integrated coverage of the British market and hence is likely to make Vauxhall more competitive and more profitable.

The Vauxhall truck subsidiary, Bedford, earlier this year announced a £25m. expansion designed to produce a new heavy truck for European markets. This truck, which will probably use a British-built diesel engine from a General Motors plant in Britain, will be designed to take Bedford into the European transcontinental truck market in competition with Mercedes and Fiat. Both the new Bedford and Vauxhall models should be ready in about two years' time.

The company reported last month a major profit turnaround in the first half of the current year. The pre-tax profit was £3.6m., compared with a loss of £2.55m. in the January-June period of 1972 and an overall deficit last year of £4.1m. despite the boom in demand for cars.

The improvement was achieved in spite of a fall in the number of cars sold by the company. At 141,851 the figure for the six months compares with 143,932 in the corresponding period of 1972. The Vauxhall profit in the U.K. car market this year has hovered at around 8.5 per cent, against 9 per cent in 1972, about 10 per cent in 1971, and as much as 15 per cent in earlier years.

Mr. Rhea has said he hopes the first-half profit improvement would be maintained.

Europe buys Minis built in Spain and Italy. Page 17

Concorde noise problem not solved, says "leak" report

BY ROBERT MAUTHNER

THE PROBLEM of silencing the Concorde engines has not been solved and the latest "spide silencers" are being tested by the manufacturer, the British Aircraft Corporation and Aerospatiale, have been rejected as useless by BAC engineers, according to the French satellite weekly "Le Canard Enchaîné".

Le Canard, which has a long tradition of publishing secret documents to back up its often sensational claims, has apparently obtained photocopies of a report prepared by the acoustics department of the British Aircraft Corporation, and has published extracts in English in this week's issue.

The alleged document, headed "Acoustics Memo 121" and Preliminary study of spade effectiveness on Concorde, is dated September 3, 1973—little more than two weeks before Concorde's successful visit to the U.S.

The photocopy of the report is not a reproduction in full, but Le Canard states, it is too technical to be understood generally. However, the report's conclusion is crystal clear. It states: "It is therefore concluded that the spade silencers do not have any useful potential for in-flight silencing, and that they should therefore be dispensed with."

This would explain, the paper adds, why Mr. Robert Tarkenton, the Japanese Prime Minister, said during his visit to Paris last Friday that, while the price of Concorde did not pose any problems, those of pollution, noise level and range were still as big as ever.

Le Canard also expresses the opinion that the negative findings of the reports are behind the interest American aircraft manufacturers in a co-operative venture to build a Super-Concorde. This would be part of a political deal under which, in return, the U.S. Government would drop its environmental objections to the aircraft.

For good measure, Le Canard also criticises Aerospatiale for having written to the Chinese Government in the summer reminding it that its three options on Concorde were about to expire, but granting it further time for reflection. This, according to the paper, was a "commercial blunder," which was taken very badly by the sensitive Chinese.

Asked to comment on the Canard's revelations, an Aerospatiale official merely said that the company never reacted to this paper's "doctures."

Michael Donohue, Aerospace Correspondent, writes: The British Aircraft Corporation yesterday admitted the existence of the report and its contents.

While agreeing that the spade silencers were not as efficient as the designers had hoped, the BAC stressed that represented only one aspect of the noise reduction programme for Concorde.

The spade-type silencers comprise eight retractable metal blades for each engine, which can be inserted into the exhaust to break up the flow and improve the mixing of the hot gas with the colder surrounding air, thereby reducing turbulence and thus also noise.

Norse buys 5% stake in Thistle oil firm

BY ADRIAN HAMILTON

A NORWEGIAN company, Norse Petroleum, said yesterday it had arranged to buy a 5 per cent interest in the major Thistle oil field discovery north-east of the Shetlands.

The company, which has set up a U.K. subsidiary to bring about the deal, is to buy a 2.5 per cent interest in the field from each of two U.S. companies, Champlin and Santa Fe for a total of \$1.3m.

Norse Petroleum has also negotiated to buy a 5 per cent interest from Signal Oil and Gas of the U.S. in the so-far untested North Sea block 22/7, east of the Forthies Field.

The agreements, reached earlier this year, have still to be approved by the Department of Trade and Industry, however, and could encounter political "instabilities" about the whole issue of the buying and selling of offshore licence interests in the U.K.

Announcement of the deal comes just as the Signal/Tricentral group has completed and tested a fourth well on the Thistle Field, which lies close to Shell/Esso's major discoveries at Brent and Dunlin.

The well is widely reported to have encountered the same kind of producing sands and to have tested oil at the same rates as the two previous highly successful wells on the structure.

As such it should amply confirm the initial promise of the field which, after the last well, was officially estimated to contain enough reserves for production of over 100,000 barrels per day.

A further area in the structural trend remains to be explored by the group—probably next year—and this could raise estimates to nearer double this amount.

Initial planning for development of the field is already under way and, according to reports in the contracting industry, the group is ordering equipment capable of handling up to 200,000 barrels per day of oil. If the field does prove large, the price for the purchase will look extremely attractive for Norse Petroleum.

Whether the Government will approve the deal remains a little uncertain. Although the company yesterday expressed confidence that permission will be forthcoming, the subject of "farm-ins" has aroused considerable political criticism recently.

A radical tightening of the rules covering such deals is widely expected to form part of the current review of licensing policy and the Government may prefer to await the results of this, expected to be announced later this year, before making a decision on the deal.

The other farm-in, on block 22/7, is not believed to involve a cash payment but is part of a partnership arrangement between Signal and Norse Petroleum in the current round of Norwegian licences.

Norse Petroleum was established in Norway last year and, although it has yet to gain any licences, it has been over several times on the Norwegian Stock Exchange.

In addition, its exploration interest in 55 per cent of the supply ships and a 25 per cent interest in a semi-submersible rig.

With the announcement of a U.K. farm-in, the company is hoping to attract a wider range of investors, probably in the form of a public offering, according to Mr. Bjørn Rieber, chairman of the Norwegian company, who is in London yesterday.

Further details could also involve British participation in the stock issue or the £250.

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Weather

K. TODAY
 DRY, sun periods in England, mild, N. W. Overcast, cloudy rain in S. and S.W. E. S. Wales.
 London, E. England, Mild. N. Wales.
 Dry, sun periods in W. moderate Max. 18C 64F.
 E. Angli E. and N. E. Cloudy drizzle at times, S.E. moderate. Max. 13C Cent. and S.W. Eng. Channel Is.
 Cloudy some rain. W. fresh gale. Max. 16C S. Wales.
 Cloudy perhaps some later, but E. fresh or Max. 15 59F.
 N.W. id Cent. N. E. Lakes, of Man. Borden, Scottish Glasgow, Argy Ireland
 Cloudy, dry, some early or fog. Wind S.E. light 15C 59F
 Edinburgh, E. and N.W. Sea Aberdeen, Cent. Highlands Moray Firth
 Fog, dense in places, some sun later. Wind variable Max. 10 51F
 Caithness, Orkney and Shetland
 Fog, dense in places, some sun later. Max. 14C 57F
 Outlook: Mainly dry, with intervals after mist and fog.
 Lighting-up: London March 19.10, Glasgow Belfast 19.24.

BUSINESS CENTRES

City	Time	Temp	Wind	Cloud
London	12.00	12	10	10
Edinburgh	12.00	10	10	10
Glasgow	12.00	10	10	10
Belfast	12.00	10	10	10
Cardiff	12.00	10	10	10
Birmingham	12.00	10	10	10
Manchester	12.00	10	10	10
Liverpool	12.00	10	10	10
Nottingham	12.00	10	10	10
Leeds	12.00	10	10	10
Sheffield	12.00	10	10	10
Coventry	12.00	10	10	10
Southampton	12.00	10	10	10
Reading	12.00	10	10	10
Bristol	12.00	10	10	10
Exeter	12.00	10	10	10
Plymouth	12.00	10	10	10
Swansea	12.00	10	10	10
Cardiff	12.00	10	10	10
Belfast	12.00	10	10	10

HOLIDAY RESORTS

Resort	Time	Temp	Wind	Cloud
London	12.00	12	10	10
Edinburgh	12.00	10	10	10
Glasgow	12.00	10	10	10
Belfast	12.00	10	10	10
Cardiff	12.00	10	10	10
Birmingham	12.00	10	10	10
Manchester	12.00	10	10	10
Liverpool	12.00	10	10	10
Nottingham	12.00	10	10	10
Leeds	12.00	10	10	10
Sheffield	12.00	10	10	10
Coventry	12.00	10	10	10
Southampton	12.00	10	10	10
Reading	12.00	10	10	10
Bristol	12.00	10	10	10
Exeter	12.00	10	10	10
Plymouth	12.00	10	10	10
Swansea	12.00	10	10	10
Cardiff	12.00	10	10	10
Belfast	12.00	10	10	10

Off Site...

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